

Connecting SA to the world

INTERVIEW WITH DAVE SMITH

CHIEF EXECUTIVE OFFICER, BROADBAND INFRACO



DAVE SMITH has an electrical engineering background with a post-graduate qualification in business leadership. He has many years of experience in the development of bulk electricity transmission systems, together with the management and operations of private telecommunications networks. Mr Smith was involved in the creation of the original infrastructure that forms the basis of the Broadband Infraco national long-distance network since 2001. He was also part of the team that set up Broadband Infraco as a new state-owned enterprise.

How would you describe the role and mandate of Broadband Infraco, and what do you regard as the company's key priorities at this stage?

Broadband Infraco is a newly licensed wholesale telecommunications operator in South Africa that is owned by the South African Government and the Industrial Development Corporation.

We are specifically focused on providing wholesale long-distance connectivity to licensed fixed- and mobile-network operators, Internet service providers and other value-added network service providers, which they can either use for expanding the reach and capacities of their own networks or resell on to their customers. We also enable other telecommunications operators to save costs and achieve better long-distance redundancy.

Broadband Infraco is licensed to be South Africa's alternative long-distance carrier, offering the South African wholesale market the following benefits:

- National and international telecommunications transmission capacity;
- High-speed bandwidth at lower cost;
- Consistent, high-quality connectivity;
- A national fibre-optic backbone that links all major cities in the country;
- A high-capacity network that is scalable and offers high availability.

How will Broadband Infraco's presence affect the availability and pricing of broadband services in South Africa, and which specific investment programmes do you expect to have the most significant impact?

Broadband Infraco's national network is currently made up of approximately 11,800km of fibre-optic cable connecting Johannesburg, Pretoria, Cape Town and Durban as well as Bloemfontein, Kimberley, Port Elizabeth, East London, Nelspruit and Polokwane. It also extends to the borders of Namibia, Botswana, Zimbabwe, Mozambique, Lesotho and Swaziland. The network is currently provisioned with 10 gigabits per second (Gbps) circuits and will be offering multiple capacity increments of 155 megabits per second (Mbps) up to 10Gbps to operators and service providers.

Broadband Infraco is also a significant investor in the consortium building the West African Cable System (WACS) undersea cable, which is due to go live in the

third quarter of 2011, to ensure increased international capacity to and from South Africa. We believe that reducing the cost of the national and international elements of the telecommunications value-chain for licensed operators and service providers will allow them to reduce the cost and increase the availability of broadband services in South Africa.

Can you give us a bit more detail about how Broadband Infraco's offering will help further South Africa's national interests?

The Broadband Infraco service offering will not only reduce the cost of international and national connectivity, but also increase the bandwidth that is available. This will allow us to ensure that the large bandwidth requirements for specific projects of national interest – such as the Square Kilometre Array (SKA) project, where South Africa is in competition with other international countries – are met. This aligns precisely with our shareholder mandate, part of which is to enable projects of national interest from a telecommunications perspective.

How would you characterise the relationship between Broadband Infraco and Neotel and what opportunities do you see for partnership between the two companies?

Neotel has historically leased our network while we were going through the licensing process. It is also currently our outsourced provider for operations and maintenance of the Broadband Infraco network. Now that we have been awarded a network services licence, we are able to sell services directly or in partnership with Neotel. We anticipate that Neotel will remain a key client for many years to come.

Is there a relationship between Broadband Infraco and Telkom, as is the case with other bandwidth providers?

There is currently no relationship between Broadband Infraco and Telkom for national connectivity. However, like any other licensed operator, Telkom is able to purchase long-distance bandwidth from us. Both Broadband Infraco and Telkom have invested in the consortium building the WACS cable system in order to improve international connectivity to South Africa and the continent. **E**