

Uganda Communications Commission  
UCC House  
Plot 42 - 44, Spring road, Bugolobi  
P.O. Box 7376  
Kampala, Uganda

Friday, July 5th, 2019

**RE: DRAFT IXP LICENSING FRAMEWORK**

Dear Mr. Mutabazi,

This letter is in reference to the Uganda Communications Commission's proposal to establish a licensing framework for Internet exchange points. We encountered this proposal on the Uganda Internet Exchange Point's company blog.

The ICT Association of Uganda (ICTAU) is a non-profit organisation, founded in 2013, that represents stakeholders within Uganda's information communication technology industry and community. Our membership includes over 200 private sector organisations and individuals.

One of our primary roles as an association is to represent the interests of our membership in matters related to government policy. In our opinion, the proposed licensing framework for Internet exchanges would directly impact a critical segment of the telecommunications sector which our members rely on, and we feel compelled to provide feedback on their behalf.

While we support the UCC's overall mission to improve Internet connectivity in Uganda as well as the draft licensing framework's stated objectives, we would like to highlight two key areas of concern:

1. The creation of a "Designated National Internet Exchange Point" as described in section 9 would, based on our understanding, establish a centralised monopoly and prohibit the existence of fully independent IXPs. While we appreciate the proposal to ensure that this new entity would have a multi-stakeholder governance model, it would still lack any of the natural incentives for innovation and growth that a competitive ecosystem can provide.

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The establishment of a monopoly could also undermine investments in the wider telecommunications market. We note that Raxio recently announced their intention to launch a new IXP as a value added service for their planned carrier neutral datacenter. Section 9 would effectively deter them from doing so and thereby undermine the viability of their datacenter; a critical infrastructure project that, if successful, would provide significant benefits to Uganda's national economy.

Accordingly, we recommend that Section 9 be removed from the framework.

2. The overall licensing framework seems to lack a clear rationale. We note that Uganda's highly liberalized telecommunications market is quite advanced compared to many other countries in the region. Wholesale Internet bandwidth costs have reduced from over \$5,000 per megabit to under \$10 per megabit in less than 10 years and commercial tower, fibre, and wireless infrastructure sharing services are in widespread use. In light of this extraordinary success, we believe that any proposal to fundamentally restructure the market should have a clear justification, and the approach should be validated by case studies and corroborating input from recognised industry experts.

We thank you for the opportunity to submit our feedback, and hope that consider our concerns favourably. We would be happy to discuss them, and the overall proposal, with you in more detail upon request.

Yours Sincerely,



Albert Mucunguzi  
Chairman, ICTAU

CC: Minister of ICT and National Guidance  
CC: Permanent Secretary, Ministry of ICT  
CC: All Members of ICTAU