



INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA

# Keeping traffic local: Internet exchange points and the role of cross-border connectivity

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- The case for multiple IXPs
- The case for multiple transit routes
- The case for multiple Cross-border transit routes
- What do we need?
- Why should regulators be interested?



# Vision & Mission of ICASA



## **Vision:**

To advance the building of a digital society

## **Mission:**

To ensure that all South Africans have access to a wide range of high-quality communication services at affordable prices.



# The case for multiple IXPs



- Geographic location where 3 or more players co-exist to **exchange** packets of data
- Very simple business model. Passive resources only
- Traffic remains local
- **Reduces the average cost of a Megabyte for those connected to the exchange**
- **Cities without IXPs pay other cities that do...**



- Transit services move packets of data from one location to another
- Business model is case dependent and has much longer investment horizon
  - Local traffic remains local
- Provinces/IXPs without multiple transit routes pay high prices to existing service providers:
  - **Existing transit prices remain**
  - **Average price per MB remains high**



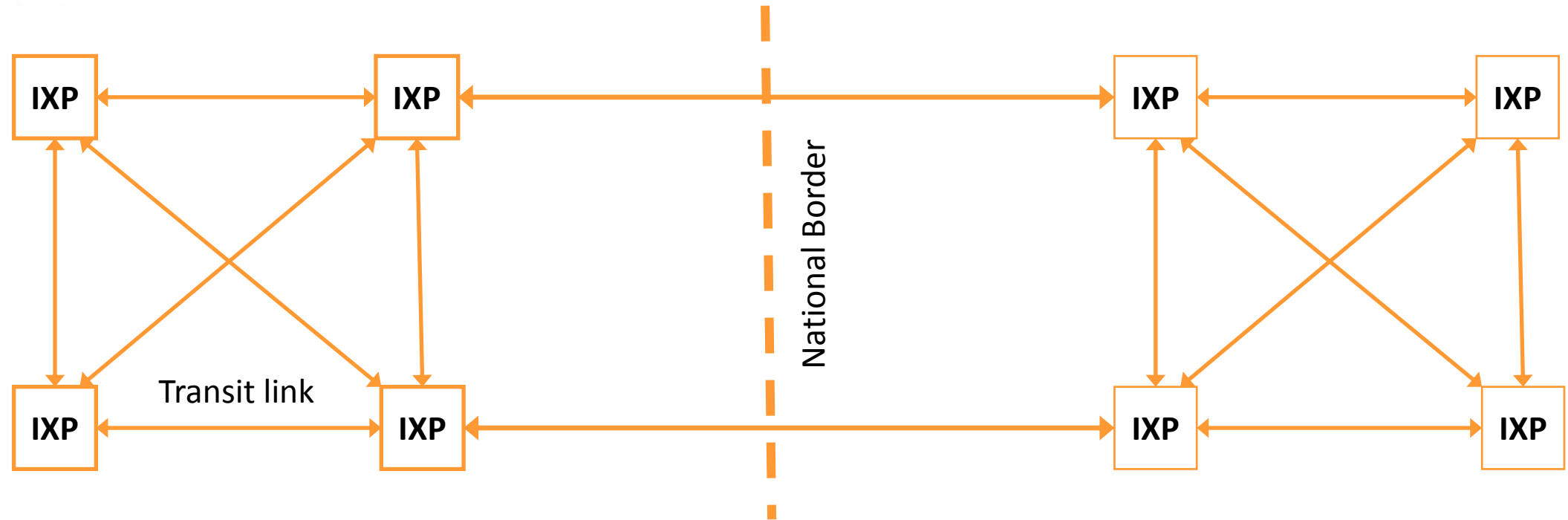
# Multiple Cross-border transit routes



- A mere extension of services within a country
- Facilitate trade between neighbours directly
- Again – local traffic remains local
- Countries without multiple transit routes pay high prices to existing service providers:
  - **Existing transit prices remain**
  - **Average price per MB remains high**



## Cost Savings at every leg of the network



A mesh of networks everywhere



# Why are regulators interested?



- Goal:
  - To reduce the average cost per MB
- Do we put barriers that prevent:
  - IXPs
  - Multiple Local Transit routes
  - Multiple Cross-border Transit Routes
- Do we implement open access at Layer 2?





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Thank you