

TELECONTRACT RESPONSE TO ZOL ADVERTISEMENTS

1.0 Press Statements By ZOL

We refer to the ongoing vendetta/onslaught by ZOL on the Telecontract (Telco) business, in various print media, the latest being The Financial Gazette of 8th April 2010 and The Independent of 9th April, 2010. We wish to point out that many aspects of the press adverts are defamatory, libelous and calculated to hurt the Telco customers and the Telco business. We do not believe that communication with 200 clients by ZOL warrants the lavish newspaper adverts flighted by ZOL

2.0 Centre of Dispute With ZOL

We wish to point out that the centre of this dispute has been non-payment of certain bills by ZOL for services provided by Telco and the KYC requirements of the law for clients connected to Telco's Network. Some of these customers were connected without Telco's knowledge.

The amount of \$17,857.06 (seventeen thousand eight hundred and fifty seven dollars and six cents) due to Telco by ZOL has remained unpaid. This bill was due on 1st March 2010.

ZOL has tried to off-set their due bill of \$17,857.06 by a capital item of one Base Station Server, which server is subject to BTO Agreement. The dispute is whether a capital item payable over 18 months in installments should at the equity of one party now be due and payable in full.

The KYC (Know Your customer) matter and application of the Interception of Communications Act law applies to IAPs like Telco and not to ZOL. It is the licensed entities like Telco that must comply with the Zimbabwean Communications Laws. The problem is that ZOL has no respect for Telecoms Laws of Zimbabwe.

3.0 ZOL's Withdrawal from Telco Network

Telco received notification from ZOL that ZOL would withdraw all their so called customers from the Telco network by 31st March 2010. It is surprising that on the 9th April, way after ZOL advertised their withdrawal from the Telco network, they continue to blame Telco for lack of service to their so called customers.

4.0 ZOL's Claim that Telco is not Licensed for VoIP

Telco wishes to point out that Telco is a licensed Internet Access Provider (IAP) Class A, which allows it to provide VoIP Telephone services as well, contrary to claims by ZOL that Telco is not licensed for this service

5.0 Threat to Disrupt Telco Services

Telco operates an extensive telecommunications infrastructure which includes international gateways, fibre optic networks, wireless networks, copper based networks and other internet based networks. These Telco Telecommunications assets have been built over 20 years. The claim by ZOL that the withdrawal of a single disputed Radio Base Station Server would disrupt the entire Telco services to our clients, is ridiculous, and cannot be believed by any knowledgeable telecommunications minded person. We wish to point out that disruption of Telco services by ZOL would be an act of sabotage and illegal. Appropriate action would be taken if perpetrated by anyone from ZOL.

Telco is very much technically competent in the Telecommunications field to understand some of the untoward goings on in this field and will cooperate with the Regulatory Authority, POTRAZ to unearth illegal activities, as we have done in the past whenever requested. Telco's license with POTRAZ cost us US\$4 million, and we will not allow our network to be abused by unlicensed entities, no matter who they are.

6.0 Demand that ZOL Must Retract These Defamatory Statements

The insinuation that Telco is indebted to ZOL is ridiculous and defamatory. Telco demands that ZOL retracts these defamatory statements.

Should ZOL refuse to retract these defamatory press pronouncements, which imply our indebtedness to ZOL, Telco has no option but to seek legal redress.

7.0 Mouthpiece / Spokesperson for the Regulator, POTRAZ and Other Licensed Operators

Telco has noted with concern that ZOL has appointed itself as a spokesperson for POTRAZ.

- Telco does not believe that ZOL is the appointed mouthpiece/spokesperson for the regulator, POTRAZ and other Licensed Internet Access (IAPs), in Zimbabwe.

- Telco does not believe that ZOL has prerogatives on Interpretation of the Telecommunications laws of Zimbabwe.