

Independent Communications Authority of South Africa Pinmill Farm, 164 Katherine Street, Sandton Private Bag X10002, Sandton, 2146

SPEAKING NOTES FOR COUNCILLOR NKUNA ADDRESSING THE MEDIA AND STAKEHOLDERS ON MOBILE TV REGULATIONS AS WELL AS THE INVITATION TO APPLY

15 APRIL 2010

- 1.On 05 December 2008, the Authority published an ITA inviting individual broadcasting services, electronic communications services and electronic communications network service licensees to apply for the two available radio frequency spectrum licences for the purposes of providing mobile television broadcasting services.
- 2. In February 2009, the ITA was withdrawn pending the finalisation of the Terrestrial Broadcasting Frequency Plan, 2008. The Authority has noted that it was preferable to finalise the Frequency Plan to create certainty and predictability in the licensing of Mobile TV services. Pursuant to the withdrawal of the ITA, the Authority published the Terrestrial Broadcasting Frequency Plan in November 2009. The finalisation of the Terrestrial Broadcasting Frequency Plan informed the commencement of the process to develop the mobile broadcasting regulations.
- 3. In terms of Section 31(3) of the EC Act the Authority may prescribe procedures and criteria for awarding radio frequency spectrum licence for competing applications or instances of where there is insufficient spectrum available to accommodate demand. Given that the Ministerial directive and the Terrestrial Broadcasting Frequency Plan make provision for only two multiplexes for the purposes of mobile broadcasting the Authority was of the opinion that this warranted a section 31(3) process.
- 4. On the 17 November 2009, the Authority published the draft mobile broadcasting

regulations and invited comments from stakeholders. It should be noted that whilst the Authority was mindful that the Digital Migration regulations were not finalised at that time the Authority felt that it should commence with the consultation process on the Mobile Television Broadcasting Regulations as the Terrestrial Broadcasting Frequency Plan distinguished frequencies for DTT and Mobile Broadcasting services. The Authority reasoned that the finalisation of the Mobile Broadcasting Regulations was not conditional on the conclusion of the DTT regulatory process as these operate in different frequencies in terms of the frequency plan.

- 5. The Authority received Eight (8) representations from the following stakeholders in response to a request for comments.
 - (a) Hi Tech Audio
 - (b) Multichoice (Pty) Ltd
 - (c) Kagiso Media
 - (d) E-TV
 - (e) Mobile TV Consortium
 - (f) Neotel
 - (g) Telkom
 - (h) SABC
- 6. The Authority decided not to have public hearings by exercising a discretion in terms of 4 (6) of the EC Act.
- 7. The draft Regulations dealt with the issues raised in the Ministerial Policy and Policy Directions in terms of section 3(4) of the EC Act, which requires the Authority to "consider policies made by the Minister", when exercising its powers and performing its duties.
- 8. In taking account of some of the submissions received from interested parties, where the Authority considered those submissions to have merit, the Authority has amended the previous draft Regulations, which interested parties were invited to comment on.
- 9. The purpose of these Regulations is to provide for a regulatory framework for the licensing of radio frequency spectrum within the designated range for the provision

of mobile television broadcasting services; and to provide for procedures and criteria for the awarding of radio frequency spectrum licences for the provision of mobile television broadcasting services within the designated range.

- 10. The Authority has also published the reasons document, which although the Authority has not addressed each and every one of the submissions made by interested parties on the spectrum licensing process and the regulations which were published for public comment, the Authority has sought to set out its position in relation to the material issues raised.
- 11. The Authority further published the ITA which is based on Schedule 1 of the Mobile Television Broadcasting Regulations. The Authority has decided that interested applicants should be given three weeks to submit their applications for radio frequency spectrum licence. This reasoning is motivated by the fact that the previous draft Regulations were subjected to public comments.
- 12. Mobile TV will be offered on a technologically neutral basis to encourage innovation and investment and the regulations provide for the two (2) multiplexes for this purpose.
- 13. The first multiplex, MDTT 1 will be licensed during this financial year, while the other multiplex, MDTT 2 will be licensed as soon as the Authority decides on the opening of the Pay TV market to new entities and that will be a separate process from this particular one.
- 14. In terms of the current process, capacity in the first multiplex will be auctioned to the current broadcasters; and to ensure competition and diversity, no applicant shall be allowed to hold more than 60% of the multiplex with 20% as minimum.
- 15. The ITA provides that the applications must be submitted not later than 7 May 2010 at exactly 16h00.
- 16. These applications must be addressed for the attention of the Chairperson and submitted to the General Manager: Licensing and Compliance at Block B, Pinmill Farm, 164 Katherine Street, Sandton, Johannesburg.

- 17. When receiving applications, the Authority shall affix on each container the time of receipt and shall provide each applicant with an acknowledgement and applications received after the deadline will be rejected and returned to the applicant by the Authority.
- Failure to comply with any of those requirements and/or requirements of clause 6 of Schedule 1 of the Mobile Television Regulations, 2010 will render the application liable to disqualification.

I THANK YOU

QUESTIONS AND ANSWERS SESSION