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**INDEPENDENT COMMUNICATIONS AUTHORITY OF SOUTH AFRICA**

**GENERAL NOTICE 4234 OF 2026**




Independent Communications Authority of South Africa

350 Witch-Hazel Avenue,
Eco Point Office Park
Eco Park, Centurion
Private Bag X10,
Highveld Park 0169
Tel number: (012) 568

# DISCUSSION DOCUMENT ON INQUIRY INTO INDIVIDUAL ELECTRONIC COMMUNICATIONS NETWORK SERVICE LICENCES

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**INVITATION FOR WRITTEN REPRESENTATIONS ON THE DISCUSSION DOCUMENT ON INQUIRY INTO INDIVIDUAL ELECTRONIC COMMUNICATIONS NETWORK SERVICE LICENCES**

1. On 25 November 2025, the Independent Communications Authority of South Africa ("the Authority"/ or "ICASA") published a notice in the *Gazette*[1] indicating its intention to conduct an Inquiry into new Individual Electronic Communications Network Service ("I-ECNS") licences in terms of Section 4B of the Independent Communications Authority of South Africa Act, 2000 (Act No. 13 of 2000).

2. The Inquiry follows the policy direction contained in Government Gazette No. 53215 of 22 August 2025 issued by the Minister of Communications and Digital Technologies ("the Ministerial Policy Direction") to ICASA in terms of section 3(2) of the Electronic Communications Act, 2005 (Act No. 36 of 2005), as amended ("the ECA").

3. The purpose of this Inquiry is to consider the following[2]*:*

   3.1. whether or not the implementation of the framework in the ECA, which allows for the transfer of individual electronic communications network services and electronic communications service licences, has been effective and efficient with regard to the promotion of competition within the sector;

   3.2. the demand for and need to invite, accept and consider applications for new individual electronic communications network services licences;

   3.3. whether new individual electronic communications network service licences will promote the objects of the ECA and specifically improve competition in the market for individual electronic communications network services;

   3.4. whether or not and to what extent new individual electronic communications network service licences will contribute to the universal provision of electronic communications networks; and

   3.5. whether the benefits of new individual electronic communications network service licences outweigh the costs, including the cost to the Authority, of monitoring and enforcing compliance with any such licences, and the impact on the environment.

[1] Government Gazette No. 53719 in Notice No. 3644.
[2] Para 2.1.1 – 2.15 of the Ministerial Policy Direction.

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4. The Inquiry is conducted into four Phases (i.e., Phase I – Commencement of the Inquiry, Phase II - Discussion Document, Phase III - Public Hearings and Phase IV - Findings Document)

5. As part of Phase I, the Authority published a notice and a questionnaire requesting information and opinions from interested persons to inform Phase II of this Inquiry. The stakeholders were to submit their responses to the questionnaire on 02 February 2026.

6. After receiving a formal request for a deadline extension, the Authority granted an extension in the Government *Gazette*[3] to stakeholders to submit their responses to the Phase I questionnaire from 02 February 2026 to 16 February 2026.

7. The Authority received responses to the abovementioned questionnaire from the following thirty-two (32) stakeholders by the closing date of 16 February 2026:[4]

7.1. Vodacom (Pty) Ltd
7.2. SPRINTSA (Pty) Ltd
7.3. Cell C (Pty) Ltd
7.4. Amatole Telecommunications (Pty) Ltd
7.5. Eskom Holdings SOC Ltd
7.6. Avanti Communications
7.7. Mobile Telephone Networks Proprietary Limited (MTN)
7.8. K Mbokazi
7.9. South African Broadband Network Alliance (SABNA)
7.10. Maziv (Pty) Ltd
7.11. Buffaloes Basketball Company
7.12. Telkom SA SOC Ltd
7.13. Eutelsat Communications S.A.
7.14. B-BBBEE ICT Sector Council
7.15. Makhanga Inc
7.16. Sentech
7.17. Sateliot
7.18. Liquid Telecommunications SA
7.19. Thabo Moloi
7.20. Progressive Blacks in ICT (PBICT)

[3] Government Gazette No. 54018 in Notice No. 3739.
[4] All submissions can be accessed here Publication of written submissions - I-ECNS Inquiry — Independent Communications Authority of South Africa

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7.21. Rain (Pty) Ltd
7.22. Mzansisat Holdings
7.23. Samukelo Khomo
7.24. Globalstar
7.25. Thulani Ndaba
7.26. Amazon Leo
7.27. Global Satellite Operators Association (GSOA)
7.28. SpaceX
7.29. Plan-S Satellite & Space Technologies
7.30. Trudon Investment Time Holding
7.31. Internet Service Providers Association
7.32. South African Communications Forum (SACF)

8. The Association of Communications and Technology (ACT) submitted its response on 17 February 2026, after the closing date. Subsequent to ACT demonstrating good cause for late submission, the Authority granted condonation and accepted the written representation.

9. This Discussion Document, in line with Phase II of the Inquiry, presents a thematic summary and analysis of stakeholder responses. The views expressed by the various stakeholders are summarised under their respective sections, followed by the Authority's preliminary responses. The focus of the Discussion Document is to include only the salient points expressed in the submissions and not to respond to every single point made individually. Accordingly, the absence of a specific comment should not be interpreted as disregard or dismissal from the Authority.

10. The Authority now invites stakeholders to make written representations on the Discussion Document in line with Phase II of the Inquiry. The written representations should reach the Authority within **forty-five (45) working days** from the date after the publication of this Discussion Document.

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11. All submissions in terms of the discussion document must be for the attention of the Project Manager, Mr Peter Mailula, by email to **iecns-inquiry@icasa.org.za** and **pmailula@icasa.org.za** OR by hand delivery, along with a digital copy on a USB, marked specifically for attention:

**Mr Peter Mailula**
**Independent Communications Authority of South Africa**
**350 Witch-Hazel Road, Eco-Park**
**Centurion**
**0157**

12. Written representations should be as detailed as possible and views or opinions expressed should be substantiated, as far as possible**, by evidence, studies conducted by stakeholders, stakeholders' own data, international experience or precedence.**

13. Stakeholders may request that specific information of the written representations be treated as confidential as envisaged in section 4D of the ICASA Act. In adhering to the provisions of section 4D(1)(b) and (4) of the ICASA Act; stakeholders must not simply indicate that the information, for example, is financial, commercial or technical, but should provide a detailed explanation(s) of how such information is likely to cause harm to their commercial or financial interest, if it were to be published on ICASA's website. A confidential and non-confidential version of the written representation must be submitted with the request for confidentiality.

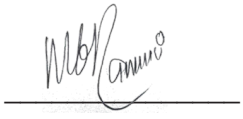
14. The Authority will publish all written representations on its website and thus requests that stakeholders submit a non-confidential version that complies with the Protection of Personal Information Act, 2013 (Act No. 4 of 2013).

15. Stakeholders must indicate whether they require an opportunity to make oral representations at public hearings that may be held in due course. Failure to do so will be deemed as confirmation of their intent not to participate in the hearings.

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16. All communication and clarity-seeking questions relating to this Inquiry must be directed to Mr Pascalis Adams on 012 568 4085 or at padams@icasa.org.za, Mr Peter Mailula on 012 568 3657 or at pmailula@icasa.org.za and Mr Hlaole Mmola on 012 568 3852 or at hmmola@icasa.org.za.



**Mothibi G. Ramusi**
**Chairperson**
**Date:** 23/10/**2026**

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## INTRODUCTION

17. This Inquiry is undertaken pursuant to the Ministerial Policy Direction issued on 22 August 2025, directing the Authority to carry out an inquiry to determine whether new I-ECNS licences will promote the objects of the ECA, in particular the improved competition and the universal provision of electronic communications networks and electronic communications services.

18. It bears emphasis that this Inquiry is not about a new I-ECNS licence for the provision of satellite-based services given that the ECA licensing regime is technology neutral.

19. Currently, prospective new entrants to the electronic communications network and services market in South Africa generally have no option other than to acquire ownership and/or control of an existing I-ECNS and/or I-ECS licence through a transfer process under section 13 of the ECA.

20. However, despite a significant number of I-ECNS licences (470) that have been issued by the Authority after the Altech Case[5], the majority are largely inactive or dormant, with an average number of approved transfers of ownership or control of individual applications of about eleven (11) per annum.

21. When considering the number of approved licence transfers, the fixed-line and mobile network markets remain highly concentrated, with a small number of licensees holding the majority of market share. This may be an indication of structural conditions in the markets, beyond constraints associated with the current licensing framework, which make market entry less attractive to potential entrants.

22. Following the review of responses to the questionnaire (Phase I), the Authority's preliminary view is as follows:

    22.1. Section 13 of the ECA has not been efficient and effective with regard to promotion of competition due to widely established challenges in the secondary market for I-ECNS and I-ECS licences as well as lengthy licence transfer approval timelines.

    22.2. Similar to the demand for existing I-ECNS licences, the demand for new I-ECNS licences issued directly by the Authority appears to be high.

[5] *Altech Autopage Cellular (Pty) Ltd vs Chairperson of the Council of the Independent Communications Authority of South Africa & Others,* Case no: 20002/08, High Court, Transvaal Provincial Division.

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22.3. New I-ECNS licences issued directly by the Authority will improve competition by reducing the artificial barriers to entry created by the existing I-ECNS licensees in the secondary market for I-ECNS licences.

22.4. New I-ECNS licences will contribute to universal provision of electronic communications networks, particularly in the rural and underserved areas.

22.5. The benefits of new I-ECNS licences are likely to outweigh the associated costs due to, among others, the advantages of being a late mover.

23. This Discussion Document is structured in terms of the following sections:

23.1. Effectiveness and efficiency of the current license transfer framework with regard to the promotion of competition.

23.2. The demand and the need for new I-ECNS licences.

23.3. Whether the new I-ECNS licences will promote competition.

23.4. Whether the new I-ECNS will contribute to universal provision of electronic communications network services.

23.5. The benefits of and the costs of new I-ECNS licences.

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## SECTION 1: EFFECTIVENESS AND EFFICIENCY OF THE CURRENT LICENSE TRANSFER FRAMEWORK WITH REGARD TO THE PROMOTION OF COMPETITION

### Introduction

24. Under this section, the Authority assessed the effectiveness and efficiency of the current licence transfer framework in terms of section 13 of the ECA with regard to the promotion of competition in the electronic communications network services market.

25. In order to assess the effectiveness and efficiency of the current licence transfer framework, the Authority utilised the following indicators: (i) market entry; (ii) use of licences; and (iii) transfer approval timelines.

26. **Market entry**. Competition is unlikely to occur in a market characterised by significant barriers to entry. From a licence transfer perspective, market entry is measured by the ability of prospective entrants to acquire licences through transfers. The majority of stakeholders indicated that they faced artificial barriers to entry due to, among other factors, a lack of transparency in the secondary market for I-ECNS licences. These barriers are likely to undermine market entry and hinder competition.

27. **Use of licences**. The licence transfer framework is considered to be effective and efficient if the licensees are using their licences to deploy and provide electronic communications networks and related services. Although the extent to which this improved competition is not determinative in and of itself, the high number of inactive and/or dormant licences over a long period of time are unlikely to result in improved competition outcomes.

28. **Transfer approval timelines**. The period between the lodgement of a transfer application by a licensee and a prospective entrant and its approval by the Authority affects the prospective entrant’s time to market, which may in turn improve competition. However, the need for timely processing must be balanced against the Authority’s obligation to maintain appropriate regulatory oversight when assessing transfer applications. Certain stakeholders raised a concern about the average processing time for transfer applications, which negatively affects time to market and creates uncertainties in the market.

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## Stakeholder views on the current licensing framework

29. Stakeholders raised a concern regarding the reliance of prospective entrants on the secondary market for the acquisition of I-ECNS and I-ECS licences as opposed to the licences being acquired directly from the Authority. They argued that the secondary market has created artificial scarcity resulting in the issued licences being more valuable.

30. Sateliot, Makhanga Inc, Space X and Springtug raised a concern about the lack of pricing transparency in the secondary market for I-ECNS licences. Further, Sateliot indicated that the artificially high purchase price of I-ECNS licences in the secondary market has resulted in market entry in South Africa being costly and prohibitive in comparison to peer countries such as Ghana, Nigeria and Tanzania.

31. Amatole Telecommunications stated that the cost of acquiring an I-ECNS and I-ECS licence pair in the secondary market is above R1,000,000.00 (excluding R84,738 transfer application fee charged by the Authority per licence), which they believe is excessive for smaller potential entrants.

32. Sateliot and GSOA stated that the artificially high price of I-ECNS licence in the secondary market not only impedes access to the market but also benefits the incumbents and favours potential entrants with access to capital markets and other resources.

33. Furthermore, certain stakeholders highlighted the various risks associated with the current licensing framework, such as the absence of a transparent pricing model and a regulated or standardised valuation mechanism, which has led to market uncertainty and deterred potential entry in the I-ECNS market. They also argued that overpaying for I-ECNS licences and the lengthy period of the transfer approval process by the Authority is likely to discourage investment in South Africa.

34. Eskom proposed that the Authority develop an automated and AI empowered portal that collects real-time data on I-ECNS licences available for sale in the secondary market. Further, Eskom proposed regulation of the licence transfer prices to assist prospective entrants and address the issues of transparency and uncertainty. In contrast, Amazon Leo argued that regulatory intervention in the secondary market could introduce additional administrative complexity without addressing the underlying factors that have limited successful I-ECNS licence transfers.

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35. Stakeholders[6] also highlighted the administrative inefficiencies with the current licence transfer framework and suggested that it could benefit from improvement in terms of transparency and reduced application processing times. They also argued that the prolonged timelines between the issuance of ITAs and the processing of transfer applications delays were likely to cause harm to investment decisions.

36. SprintSA, GSOA, MTN, Amazon Leo, PBICT, Globalstar and Eskom Holdings recommended the following with regard to the current licensing framework:

    36.1. Publication of defined applications processing timelines, requirements and fees;
    36.2. Review of the current criteria and obligations; and
    36.3. Standardised procedures and clearer communication throughout the application review process.

37. Stakeholders questioned the capacity of the current licensing framework in advancing the objective of the ECA in promoting competition in an evolving telecommunications market.

38. Further, stakeholders indicated that the current transfer licensing framework was restrictive, outdated and limits market entry, and entrenches the incumbents' market positions.

39. According to SpaceX, Amazon Leo, Sateliot, GSOA, Easttel and SprintSA, competition in the market is stifled by high licence acquisition costs and prolonged, at times, unfruitful negotiations with prospective licence sellers and exacerbated by the dependence on the willingness of the seller.

40. SprintSA called this phenomenon "warehousing", where licensees hoard their licences as strategic assets instead of using them to provide services in the electronic communications network services market. Similarly, the SACF, SpaceX and the B-BBEE ICT Sector Council stated that the current framework has turned I-ECNS licences into tradable commodities, which incentivise rent-seeking behaviour by licensees.

41. Amatole stated that despite the visibly high number of licences issued by the Authority, the market remains highly concentrated, which is an indication of the likelihood of ineffective competition.

[6] Thulani Ndaba, ISPA, Vodacom, Liquid Telecommunications, Maziv, MTN, Amazon Leo, Sateliot, B-BBEE ICT Sector Council, Avanti, GSOA

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42. Therefore, Amatole Telecommunications, Makhanga Inc, SABNA and SACF suggested that the Authority consider the direct issuance of licences to mitigate the challenges in the secondary market.

43. Also, Sateliot and Liquid Telecommunications suggested that the Authority conduct an audit of the current licences to determine the extent of dormant and speculative licences. They proposed that the outcome of the audit should be used as an input into the new licensing process. Nevertheless, they indicated that inactive licensees should be revoked.

44. Another recommendation was for the Authority to adopt the “use it or lose it” principle and other stricter enforcement measures to ensure efficient use of licences rather than being held for speculative purposes.

### Authority’s preliminary view

45. The Authority is of the view that the current licensing framework, which allows for transfer of I-ECNS and I-ECS licences, has not been effective and efficient with regard to the promotion of competition in the sector. This is because of the artificial high barriers to entry, dormant or inactive I-ECNS licences and lengthy licence transfer and approval timelines.

46. The artificially high barriers to entry may be viewed as market failure by prospective entrants because the trading of I-ECNS and I-ECS licences in the secondary market constrain market entry and is inconsistent with the objective of promoting competition. However, the Authority does not consider it necessary to intervene directly in the secondary market in order to address this issue.

47. The Authority is of the considered view that a direct licensing mechanism where access into the market is no longer dependent on the incumbent licensee is the most efficient and effective way of addressing the challenges in the secondary market and promoting competition through seamless entry into the market. Other than the secondary market for I-ECNS and I-ECS licences, prospective entrants should have the option to acquire licences directly from the Authority.

48. The large number of dormant or non-active licences for extended periods, coupled with licence transfer applications, may also indicate that the current licensing framework, on its own, has not sufficiently contribute to the promotion of competition. An effective

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licence transfer regime would facilitate the transfer of applications to those who value the licence the most and have the capacity to deploy network infrastructure and provide services.

49. The Authority may consider, among others, “use it or lose it” principle to encourage efficient use of licensed rights and discourage hoarding of licences for speculative purposes subject to the requirements of the ECA.

50. The Authority acknowledges that there might be administrative inefficiencies in the current licence transfer approval process that further delay entry into the market and disincentivise investment in the sector. The Authority will publish guidelines on the approval process of licence transfer applications in order to ensure transparency and regulatory certainty.

51. The Authority's preliminary view is that the issuing of additional I-ECNS and I-ECS licences may improve contestability and reduce entry barriers, particularly where entry currently depends upon acquiring licences in the secondary market. The direct licensing mechanism will also provide the necessary option of a direct licensing process which may also facilitate the entry of SMMEs and contribute to the transformation in the sector.

52. However, it should be noted that the licence transfer framework alone is unlikely to address all competition concerns in the electronic communications sector. Effective and sustainable competition is more likely to arise through a combination of a suite of complementary regulatory measures such as assignment of spectrum, infrastructure sharing, wholesale access obligations, efficient deployment processes and others.

**Question:**
**Do you agree with the Authority's preliminary view that the current licensing framework which allows for transfer of I-ECNS and I-ECS licences has not been effective and efficient with regard to the promotion of competition in the sector. Please provide reasons for your answer.**

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## SECTION 2: THE DEMAND AND THE NEED FOR NEW I-ECNS LICENCES

### Introduction

53. Question 2 of the questionnaire was aimed at establishing whether there is demand and need for new I-ECNS and I-ECS licences.

54. Stakeholders largely justified their proposal for the licensing reform and the demand for new licences based on new and emerging technologies.

55. The majority of the stakeholders agree that sufficient market opportunities exist to justify the issuance of new I-ECNS and I-ECS licences. However, they presented different views in terms of the timing, conditions and scope under which the licences should be issued.

56. From the analysis of the responses, stakeholders' justification for the issuance of new licences can be summarised into the following themes:

    56.1. technological evolution;
    56.2. universal access;
    56.3. transformation and diversity; and
    56.4. competition and market expansion.

### Stakeholder views on the issuance of new individual ECNS licences

57. The first identified theme from the stakeholders' responses, as a justification for the issuance of new individual licences, is technological evolution. Stakeholders argued that the current framework was designed for a market dominated by traditional terrestrial operators and thus falls short of accommodating new technology operators. They further argued that rapid advances in digital technologies and evolving consumer and enterprise demands have fundamentally transformed the sector while the licensing framework has remained stagnant.

58. The emerging technologies that were highlighted by several stakeholders are:

    58.1. Low Earth Orbit (LEO) satellite constellations
    58.2. Direct-to-Device (D2D) communication systems
    58.3. Non-Terrestrial Networks (NTNs)
    58.4. Private 5G networks (for mining, manufacturing, logistics)

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58.5. Internet of Things (IoT) applications
58.6. Fibre Optic Networks
58.7. Fixed Wireless Access (FWA)
58.8. Hybrid connectivity / multi-technology solutions
58.9. Voice markets
58.10. Spectrum frequencies in demand: 2GHz band, Q/V band

59. SpaceX, Amazon Leo, Sateliot and GSOA indicated that the aforementioned technologies are complementary and not substitutes to the traditional terrestrial networks, especially in rural and underserved areas. They argued that current framework should evolve to allow for market entry and expansion.

60. Despite acknowledging the rapid pace of technological advancements, Rain, MTN, Vodacom, Liquid Telecommunications and Maziv cautioned the Authority against technology-driven market entry. They argued that it is not necessary to change the current licensing framework as it accommodates technological developments. However, they indicated that the Authority should improve on administrative efficiency and address structural issues such as spectrum unavailability, infrastructure deployment and wholesale competition. Similarly, Sentech stated that "*technological innovation is not depended on the issuance of new licences but on regulatory certainty, spectrum policy coherence and infrastructure investment incentives*."

61. Further, MTN indicated that the challenge in the market is not how to best distribute the benefits of existing infrastructure but in how to encourage infrastructure investment deployment. They argued that this was needed to keep up with the increasing demand and technological advances, which depend on continued and intensive capex investment, and is the responsibility of the policymakers to ensure they remove any barriers to investment.

62. Furthermore, Rain stated that growth of the market is stunted by limitations such as high capital expenditure, access to spectrum, availability of fibre backhaul, tower infrastructure, economies of scale and the cost of capital. Rain also referenced the Data Services Market Inquiry[7] findings which recognised that structural cost dynamics and infrastructure economics represented main barriers to competition as opposed to shortage of licences.

[7] Competition Commission, data Services Market Inquiry Final Report

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63. Stakeholders argued that the licensing framework should be technology-neutral.

64. The second justification that appeared across several submissions is universal access. Stakeholders suggested that the issuance of new licences should not be solely for commercial and fiscus purposes but also to ensure digital inclusion.

65. Kgomotso Mbokazi, SprintSA and GSOA submitted that persistent connectivity gaps and digital exclusion in rural and underserved areas demonstrate that existing market participants' inability to address South Africa's connectivity needs. Buffaloes Basketball Company also highlighted significant demand for improved digital infrastructure in townships, rural communities and schools.

66. Certain stakeholders indicated that issuing new licences could potentially create opportunities for small, medium and micro enterprises, community networks, regional operators and historically disadvantaged individuals. They are of the view that these groups of market players deserve opportunities to participate meaningfully in the telecommunications market as they may possess a better understanding of their local communities' needs. PBICT argued that many underserved areas are being served by small regional operators and SMMEs.

67. SABNA, the B-BBEE ICT Sector Council, Easttel, PBICT and SACF argued that market expansion through the issuance of new licences will encourage greater diversity by enabling small entrants to compete effectively with established operators. They further submitted that this will result in substantial economic transformation, stimulation of local investment and improvement of access to communications services in rural and underserved areas that are currently overlooked by incumbents.

68. Furthermore, the B-BBBEE ICT Sector Council highlighted the high costs associated with acquiring licences through the secondary market as barriers unrelated to an applicant's operational capability or innovative potential, thereby limiting broader participation in the sector.

69. Several satellite operators, including GSOA, highlighted how new technologies such as LEO satellite systems and other non-terrestrial technologies can potentially deliver broadband services to remote and geographically challenging areas.

70. Notwithstanding that universal access was not identified in all submissions, it nevertheless emerged as a recurring policy concern especially amongst non-

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incumbents. As such, several stakeholders brought forth recommendations of how universal access obligations, implicitly and explicitly, should be attached to new licences for both stricter and more efficient adherence. The table below is a summary of some of the recommendations;

*Table 1: Stakeholder Recommendation on Universal Access*

| Stakeholder | Recommendation/s |
|---|---|
| Sentech | - Where a third party uses another licensee's licence, the Authority should impose additional universal access obligation on that third party and or allow both parties to share the original licence obligations.<br>- The Authority should consider attaching explicit utilisation and rollout conditions to licence transfers. |
| PBICT | - Rollout incentives linked to underserved areas<br>- Infrastructure partnerships with public broadband programmes<br>- Recognition of cooperative or shared network ownership models<br>- Alignment with national broadband objectives |
| Easttel | - New licences should be accompanied by reforms that promote universal access and service objectives, affordability and rural coverage |
| SABNA | - Conditions on licence transfers that promote black-owned and small ISPs |

71. While a few responses explicitly advocated for universal access obligations reform, others presented indirect supporting recommendations such as incorporation of rollout requirements in new licences, rural coverage commitments, operationalisation milestones and other public-interest conditions.

72. The third theme builds on the concerns analysed in the preceding section regarding barriers to market entry, market concentration and the sole reliance on the secondary market as a means of entry. The echoing sentiment suggests that perhaps issuing new licences may address these market challenges. The majority of the stakeholders argued that issuing new licences would enhance market contestability by reducing artificial and burdensome barriers to entry and creating opportunities for new entrants, especially small and black-owned. On the contrary, several stakeholders argued that there aren't sufficient market opportunities that justify the issuance of new licences.

73. SACF, Easttel, Makahnga Inc, SprintSA and B-BBEE ICT Sector Council argued against the reliance on the secondary market as it has created artificial scarcity and entrenched the incumbents' market positions. They argued that direct licensing would lower barriers to entry by affording prospective entrants a transparent and direct pathway to acquire

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licences from the Authority and also expedite the licensing process rather than the cumbersome process of negotiating with existing licensees.

74. They further argued that improved competition should not be measured solely by the number of licensed entities in the market, but by the ability of new entrants to participate and contribute meaningfully to the market.

75. SABNA argued that facilitating market entry, particularly for black-owned and small ISPs, would diversify service offerings, lead to the reduction of the cost to communicate. Similarly, GSOA submitted that market entry of satellite operators in the South African market would increase consumer choice while expanding connectivity options for enterprises.

76. Amazon Leo expressed that the limited number of new entrants reflects deficiencies in the market rather than absence of investor interest, to which SprintSA supports by citing DSMI, which noted the excessive pricing and high profit margins in the market as indications of inadequate competition.

77. Notwithstanding the broad support for issuing new licences for the benefit of effective competition, several stakeholders cautioned that this will not necessarily result in more effective competition for as long as market structural challenges remain unresolved.

78. MTN submitted that evidence from international markets suggest that two or three infrastructure players are typically sufficient to ensure effective competition.

79. Sentech, Liquid and Avanti Communications argued that the principal constraints affecting competition relate to broader structural issues such as spectrum availability, infrastructure costs, economies of scale, municipal wayleave processes and wholesale market access. They indicated that issuing new licences without intervention may result in the issuance of future dormant or commercially unsustainable licensees.

### Authority’s preliminary view

80. The number of dormant licences and licence transfer applications do not in and of themselves indicate that the demand for new I-ECNS is low and/or negligible. As already mentioned, the challenges in the secondary market for I-ECNS licences have the capacity to depress the demand for I-ECNS licences. The Authority is of the view that

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the direct licensing mechanism may also unlock the genuine demand for I-ECNS licences. The submissions demonstrate a clear demand for access to new I-ECNS licences across a range of market participants, including satellite operators, SMMEs and other prospective entrants.

81. The Authority is of the view that there may be a demand for new I-ECNS licences to deploy network infrastructure and improve coverage in areas that are not covered by the incumbents, particularly in the rural and underserved areas. New entrants with innovative business models and solutions may deploy infrastructure in the abovementioned areas, which will attract new investment and contribute towards the development of the connected and inclusive digital economy.

82. Therefore, the Authority is of the preliminary view that there is a reasonable basis to consider inviting, accepting and evaluating applications for new I-ECNS licences, subject to compliance with the requirements of the ECA and any applicable regulatory criteria.

**Question:**
**Do you agree with the Authority's preliminary view that the there is a demand and need for new I-ECNS licences? Please provide reasons for your answer.**

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## SECTION 3: WHETHER THE NEW I-ECNS LICENCES WILL PROMOTE COMPETITION

### Introduction

83. The purpose of this section is to assess whether the introduction of new I-ECNS licensees is likely to improve competition in the electronic communications sector and contribute to the achievement of the objectives of the ECA.

84. Competition is widely recognised as a key driver of efficiency, innovation, investment, and consumer welfare in telecommunications markets. Effective competition encourages operators to compete on price, quality, network coverage, and service offerings, thereby delivering benefits to consumers and contributing to broader economic development. The International Competition Network (ICN)[8] notes that competition promotes productivity, innovation, and consumer welfare by creating incentives for firms to improve efficiency and respond to consumer needs. Empirical evidence reviewed by the Organisation for Economic Co-operation and Development further indicates that competition contributes to productivity growth and broader economic performance by strengthening incentives for firms to innovate and utilise resources more efficiently.[9]

85. In the telecommunications sector, competition can result in lower prices, improved service quality, and greater innovation. Competitive market pressures encourage operators to invest in network infrastructure, improve customer service, increase broadband speeds, and develop new products and technologies. The International Telecommunication Union (ITU) has observed that telecommunications and internet service prices have generally declined over time due, in part, to growing competition and evolving regulatory frameworks, thereby improving the affordability and accessibility of communications.[10]

86. A critical consideration for regulators is the extent to which regulatory and licensing frameworks facilitate competition. New entry is widely regarded as one of the principal mechanisms through which competition can be strengthened. The entry of new market participants can increase consumer choice, place competitive pressure on incumbent

[8] International Competition Network (ICN). (2022). *Explaining the Benefits of Competition to the General Public*. Advocacy Working Group

[9] Organisation for Economic Co-operation and Development (OECD). (2014). *Factsheet on How Competition Policy Affects Macroeconomic Outcomes*. OECD, Paris.

[10] *Affordability: Backgrounder*. International Telecommunication Union. Available at: https://www.itu.int/en/mediacentre/backgrounders/Pages/affordability.aspx

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operators, stimulate innovation, and reduce prices. Consequently, licensing frameworks can serve as an important regulatory tool for promoting competition where they lower barriers to entry, enable participation by new service providers, and create opportunities for a wider range of operators to compete in the market. By enabling additional firms to enter and compete, licensing interventions may contribute to a more dynamic and competitive telecommunications sector.[11]

87. In South Africa, the promotion of competition is consistent with the broader objectives of competition policy and sector regulation, including the promotion of efficiency, consumer welfare, innovation, and inclusive economic participation.

88. Against this backdrop, this inquiry considers whether amendments to the existing licensing framework could promote greater competition within the electronic communications sector. The Authority invited stakeholders to provide views on the extent to which licensing interventions could facilitate market entry, reduce barriers to participation, and improve competitive outcomes.

89. What follows is an assessment of the submissions and views received from stakeholders on this issue, including their perspectives on the relationship between licensing, market entry, and competition, as well as the potential implications for consumers and the broader communications sector.

## Stakeholder views on competition impact of new licences

90. The policy direction notes that a significant number of stakeholders supported the inquiry into new licences. These stakeholders generally argued that additional licences would reduce barriers to entry, facilitate market participation and support greater competition.[12]

91. At the same time, several stakeholders submitted that licensing reform alone would be insufficient to address competition concerns and that broader regulatory reforms remain necessary. Such reforms include:
    91.1. Strengthening infrastructure-sharing frameworks;
    91.2. Legislative and policy reforms; and
    91.3. Further market and competition assessments.

[11] International Telecommunication Union, 2021; OECD, 2014.
[12] Government *Gazette* No 53215

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**Views Reflected in the initial questionnaire of the inquiry**

92. Stakeholder responses to the Authority's questionnaire broadly revealed two schools of thought:

92.1. Stakeholders who support the issuing of new licences as a mechanism of reducing barriers to entry and promoting competition.
92.2. Stakeholders who argue that competition challenges are primarily structural and that issuing additional licences, without addressing underlying market constraints and structural regulatory reforms, may have limited impact on market outcomes.

93. A significant number of stakeholders[13] argued that the current transfer-based licensing regime has created artificial scarcity and increased the cost of market entry which undermines competition. These stakeholders argue that prospective entrants currently face the following challenges:

93.1. High acquisition costs for existing licences;
93.2. Limited availability of licences in the secondary market;
93.3. Lengthy licensing transfer approval timelines;
93.4. Dependence on existing licensees' willingness to sell licences;
93.5. Significant legal and transaction costs.

94. According to stakeholders who support issuing of new licences, direct licensing by ICASA would reduce these barriers and create a more open and competitive market environment.

95. Furthermore, some stakeholders submit that the South African communications market remains highly concentrated despite the number of licences that have historically been issued. They argue new entrants would exert competitive pressure on incumbents. Specifically, they submit that new entrants typically introduce innovative products, alternative business models and new technologies that challenge established market structures. Stakeholders indicate that some of the new technologies that could be introduced through new licensing include:

95.1. Low Earth Orbit (LEO) satellite services;
95.2. Non-Terrestrial Networks (NTN);
95.3. Private LTE and 5G networks;

[13] Refer to submissions by PBICT, Sateliot, B-BBBEE ICT Sector Council amongst others

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95.4. Community broadband networks;
95.5. Open-access fibre networks; and
95.6. Internet of Things (IoT) connectivity solutions

96. Satellite operators in particular argued that the current framework makes market entry unnecessarily difficult for innovative global operators wishing to provide services in South Africa.

97. The Authority notes that some stakeholders, particularly large incumbent operators[14], were sceptical on whether issuing additional licences would improve competition. These stakeholders argued that market entry barriers arise primarily from:

97.1. High infrastructure costs;
97.2. Limited access to spectrum;
97.3. Economies of scale;
97.4. Capital investment requirements;
97.5. Availability of backhaul facilities;
97.6. Infrastructure deployment constraints.

98. Accordingly, they submit that increasing the number of licences will not necessarily produce additional infrastructure investment or stronger competitive outcomes. In addition, a number of stakeholders suggested that the Authority should determine the extent of dormant licences before introducing additional licences.

99. Lastly, a small group of stakeholders submit that additional licensing could result in inefficient duplication of infrastructure, market fragmentation, reduced economies of scale and limited consumer benefit. They argue that competition in network industries depends more on investment and scale than the number of competitors or operators.

100. Despite the various key areas where stakeholders hold differing views, there are a few areas wherein there was a broad consensus, such as:

100.1. The need to reduce the administrative delays associated with licence transfer approval timelines
100.2. Addressing structural competition issues such as access to spectrum, infrastructure sharing and access to essential facilities.

[14] Refer to submissions by Vodacom, MTN, RAIN and Sentech amongst others

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*Table 2: Views by stakeholders for new licences*

| Issue | Pro New Licences | Opponents |
|---|---|---|
| **Current licensing framework** | Creates artificial scarcity and barriers to entry | Framework generally adequate but requires procedural improvements |
| **Market concentration** | Need for new entrants | Competition exists; concentration reflects economic realities |
| **Effect on competition** | New licences will increase rivalry, innovation and consumer choice | New licences alone unlikely to change competitive outcomes |
| **Main barriers to entry** | Licensing restrictions and transfer costs | Capital, infrastructure, spectrum and scale |
| **Policy response** | Issue new licences and open direct application processes | Focus on infrastructure access, investment incentives and regulatory efficiency |

*Source: stakeholder submission*

## Analysis of impact on competition

101. The fundamental question that the Authority is required to answer is whether new I-ECNS licences will promote the objects of the Act and specifically improve competition in the market for individual electronic communications network services.

102. The Authority recognises that the electronic communications sector comprises numerous distinct markets, each characterised by different competitive dynamics. The purpose of this Inquiry is not to conduct a comprehensive competition assessment of each relevant market within the sector. Rather, the Inquiry seeks to determine whether the current licensing framework may unnecessarily restrict market entry and whether the availability of new I-ECNS licences is likely to improve competition and advance the objectives of the ECA.

103. The Authority notes that there is significant stakeholder support for issuing of new I-ECNS licences. Stakeholders view new licences as an important mechanism for lowering barriers to entry and promoting competition and advancing universal access objectives.

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104. By contrast, certain stakeholders maintain that the sector's primary challenges for successful entry are structural rather than licensing related. They argue that additional licences are unlikely to improve competition unless broader issues relating to spectrum access, infrastructure investment, economies of scale and wholesale market dynamics are addressed.

105. However, the Authority notes that there was broad consensus among stakeholders regarding the existence of market entry challenges within certain segments of the sector. The principal divergence relates not to whether such challenges exist, but rather to the extent to which licensing restrictions contribute to those challenges and whether licensing reform constitutes an appropriate regulatory response.

106. Therefore, the next central consideration arising from this Inquiry is whether licensing reform would contribute to the removal or reduction of barriers to entry and thereby promote competition. As discussed in Section 2 of this document, several stakeholders submitted that access to I-ECNS licences under the current framework is constrained by factors including limited licence availability, a lack of transparency in the secondary market, the unwillingness of certain licence holders to dispose of licences, and the high costs associated with acquiring licences through transfer arrangements

107. Furthermore, the Authority notes submissions from prospective entrants that expressed an intention to participate in various electronic communications markets through the deployment of new and emerging technologies. These submissions suggested that demand exists for direct access to I-ECNS licences and that licensing restrictions may impede entry opportunities.

108. In addition, the Authority's preliminary assessment in the Notice of Inquiry indicated that, since 2008, a number of I-ECNS licences have been transferred from dormant or inactive licensees to new market participants. Of interest is that, when considering transfer applications, the Authority typically assesses the markets that the proposed transferee intends to enter and whether the transfer is likely to generate consumer and public interest benefits. These assessments have consistently demonstrated that prospective entrants identify commercially viable opportunities within various segments of the sector and seek access to licences for that purpose.

109. Furthermore, the Authority has received numerous enquiries regarding the requirements for obtaining an I-ECNS licence directly from the regulator. Most recently, the Authority

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received enquiries from prospective satellite operators seeking clarity regarding the licensing requirements applicable to the provision of services using satellite constellations within South Africa. This led to the publication of a notice clarifying the licensing requirements applicable to satellite service providers.[15] This further demonstrates the active demand for new licences by prospective entrants.

110. In addition, the Authority notes that the assessment of historical market developments set out in Section 1 of this document demonstrates that new entry has, in a number of instances, contributed positively to competition, innovation, investment, and consumer welfare within the sector. Therefore, with a combination of adequate demand and the historical evidence of new entry promoting competition, the Authority is of the preliminary view that new licences are likely to promote competition.

111. As a result, under the current framework, where prospective entrants cannot obtain an I-ECNS licence directly from the Authority, access to the market may in practice depend upon acquiring an existing licence through a transfer, acquisition, or other commercial transaction. Consequently, the cost of obtaining the legal authority required to operate may effectively be determined by existing licence holders rather than by the regulator. As noted by several stakeholders, this outcome may create an artificial scarcity premium which increases entry costs, raises barriers to entry, and may reduce market contestability. Therefore, direct applications could lower these costs while preserving the secondary market for legitimate corporate transactions, including mergers, acquisitions, restructurings, and business transfers.

### Other Considerations

112. The Authority acknowledges submissions that identified a range of structural factors that limit the success of new entrants. However, a majority of the factors identified do not appear to constitute forms of scarcity that necessarily justify restrictions on the number of I-ECNS licences that may be issued.

113. One of the main arguments is that high-demand spectrum is a scarce resource that will limit the ability of new entrants to compete effectively. The Authority notes that while radio frequency spectrum is indeed a finite and scarce resource, the scarcity concerns relating to spectrum are generally addressed through spectrum licensing and spectrum assignment processes rather than through ECNS licensing itself. ECNS licences are

[15] Notice Regarding Licensing Requirements to Operate Satellite Services, Gazette No. 54915

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technology neutral and authorise the provision of network infrastructure services more broadly.

114. Stakeholder submissions further indicated that a growing proportion of network infrastructure investment is occurring in areas that are not dependent upon access to scarce spectrum resources, including fibre networks, open-access infrastructure, wholesale backhaul networks, neutral host facilities, data centre interconnection services, and other specialised network services. In such circumstances, the Authority considers that the justification for maintaining artificial scarcity in the supply of I-ECNS licences is less evident

115. The Authority further notes submissions that the telecommunications sector is inherently capital intensive and characterised by economies of scale, rapid technological change, and competitive pressures. According to these submissions, these factors indicate that new entrants may not succeed as they may not generate sufficient scale to make the necessary investments.

116. However, the Authority is of the view that the possibility of failure is not generally regarded as a sufficient reason to prohibit market entry. The ITU[16] notes that licensing frameworks should facilitate market participation while ensuring compliance with regulatory requirements, rather than acting as a mechanism to select commercial winners and losers. Potential entrants are expected to assess and manage their own commercial risks, including demand forecasts, access to capital, infrastructure costs and technology choices.

117. Furthermore, the Authority notes that section 8 read with section 9 of the ECA establishes a number of statutory requirements that must be satisfied before an individual licence may be granted. These requirements are intended to ensure that applicants possess the necessary legal, technical, financial, ownership, and operational capabilities required to participate in the sector in a manner consistent with the objectives of the Act.

118. Accordingly, an ITA for new I-ECNS licences would not result in unrestricted market entry likely to harm consumers, the environment or other public interest considerations. Prospective applicants would remain subject to all applicable legislative and regulatory

[16] International Telecommunication Union (ITU). (2020). *ICT Regulation Toolkit: Authorisation and Licensing Frameworks*. Geneva: International Telecommunication Union

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requirements, and the Authority would retain the discretion to refuse applications that fail to satisfy the prescribed criteria.

119. Furthermore, where an applicant demonstrates compliance with the ECA and all relevant regulatory requirements, including technical capability, financial fitness, and applicable ownership and empowerment obligations, the Authority is of the view that the commercial viability of the proposed business should primarily remain a matter for the applicant and its investors. Subject to the outcome of this Inquiry and compliance with the relevant statutory requirements, the Authority has not, at this stage, identified any additional basis for restricting the issuance of new I-ECNS licences

120. Lastly, the Authority notes that concerns regarding the potential competitive, economic, or regulatory effects of granting additional I-ECNS licences must be considered in light of the existence of an established secondary market for such licences. Market participation may already be achieved through mechanisms such as licence transfers, acquisitions, and changes in ownership or control of existing licensees. As a result, entry by new participants is not fully restricted, but rather may occur through alternative mechanisms not under the purview of the Authority. In these circumstances, limiting access to direct licence applications does not necessarily mitigate the perceived effects associated with market entry. Instead, such an approach may have the unintended consequence of directing prospective entrants towards transactions with existing licensees, thereby increasing transaction costs, raising barriers to entry, and potentially conferring a degree of control over market access on incumbent licensees.

121. The Authority further recognises that, as the statutory custodian of the electronic communications licensing framework, it is preferable that decisions relating to market entry remain subject to direct regulatory oversight. A process that permits the Authority to assess applications on their merits enables it to evaluate compliance with applicable legal, technical, financial, ownership, and public interest requirements and to determine whether the grant of a licence is consistent with the objects of the Act.

122. Direct licensing may provide a more transparent, efficient, and regulator-led means of promoting the objectives of the Act, while ensuring that the Authority retains an appropriate degree of oversight over the composition and development of the sector.

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## Other regulatory initiatives

123. A notable area of consensus is that if an ITA is pursued, it should be accompanied by complementary measures aimed at improving regulatory efficiency, ensuring infrastructure access, promoting investment and facilitating sustainable competition. In this regard, the Authority continues to pursue a range of regulatory initiatives that are likely to contribute to the achievement of these objectives. Some of these measures are discussed below.

### Spectrum assignment and implementation of the IMT Roadmap

124. The Authority notes that the envisaged assignment of additional IMT spectrum through future licensing processes, together with the implementation of the IMT Roadmap, has the potential to enhance competition within the electronic communications sector. The availability of additional spectrum resources may reduce existing spectrum constraints, lower network deployment costs on a per-unit basis and enable licensees to expand network capacity and improve service quality.

125. The IMT Roadmap provides a framework for the identification, planning and assignment of additional frequency bands for current and future generations of mobile broadband services. By substantially increasing the amount of spectrum available for assignment over the medium to long term, the roadmap may facilitate greater participation in the market, promote investment in network infrastructure, and support the introduction of innovative services and technologies.

126. To the extent that future spectrum licensing and the IMT Roadmap are intended to facilitate increased participation, investment and competition in the sector, a restrictive approach to the granting of I-ECNS licences may be difficult to reconcile with these objectives. The expansion of spectrum access and the promotion of competition are likely to be most effective where eligible market participants are afforded a reasonable opportunity to obtain both the spectrum resources and the underlying service and network licences necessary to compete in the market.

### Rapid Deployment regulations

127. The Authority notes that the proposed Rapid Deployment Regulations may contribute to the promotion of competition in the electronic communications sector by reducing barriers associated with the deployment of network infrastructure. Delays and uncertainties relating to access to land, wayleave approvals, municipal permissions, and

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disputes with landowners have historically increased the cost and complexity of network rollout, particularly for smaller and emerging operators. The introduction of a more uniform and transparent framework may reduce these impediments and facilitate the more efficient deployment of electronic communications networks and facilities

128. The anticipated benefits of the Rapid Deployment Regulations further weaken arguments that additional licensees would be unable to participate effectively in the market. To the extent that the regulations are designed to reduce deployment obstacles and facilitate network rollout, they may improve the ability of newly licensed operators to establish and expand network infrastructure. Consequently, the regulatory framework is evolving towards enabling market participation and infrastructure investment, rather than limiting entry on the basis of perceived deployment constraints.

ECA Amendments relating to infrastructure sharing, roaming, MVNOs and "use-it-or-lose-it" provisions

129. A number of submissions referred to the issues which the Authority is of the view that will potentially be addressed by the proposed amendments set out in the ECA Amendment Bill currently before parliament for public consultation.

130. The Authority notes that the DCDT has introduced the ECA Amendment bill that, amongst other issues, provides for amendments in respect of facilities leasing, roaming, MVNOs and “use-it-or-lose-it” provisions. The proposed amendments to the facilities leasing framework are intended to promote more effective access to essential electronic communications infrastructure and facilities. The proposed provisions contemplate strengthened infrastructure sharing obligations, enhanced facilities leasing arrangements, and the development of wholesale pricing rules and standards. These measures may reduce the costs associated with network deployment and expansion, particularly for new entrants and smaller operators that may not possess extensive infrastructure assets.

131. The Authority notes that the Amendment Bill proposes obligations requiring certain mobile network operators to provide national roaming and Mobile Virtual Network Operator (MVNO) services on request. These measures are intended to facilitate access to mobile network infrastructure by operators that do not possess nationwide radio access networks of their own. The Authority considers that the availability of roaming and MVNO arrangements may enhance competition by enabling a wider range of service providers to participate in the market. Such entrants may be able to compete on

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pricing, product differentiation, innovation and customer service without incurring the substantial costs associated with constructing nationwide mobile networks. In addition, the proposed measures may reduce structural advantages currently enjoyed by large incumbent operators and facilitate greater consumer choice. By expanding opportunities for service-based competition, the amendments may enable increased participation by smaller operators, niche service providers and innovative business models, thereby strengthening competitive dynamics within the sector.

132. In addition, the Authority notes that the Amendment Bill proposes a shift from the traditional “use it or lose it” principle towards a “use it or share it” framework in respect of certain spectrum assignments. Under the proposed framework, spectrum that remains unused may be made available for sharing by secondary users, with preference afforded to community networks and SMMEs. To the extent that the proposed framework allows underutilised spectrum resources to support additional services and operators, it may lower barriers to entry, improve spectrum efficiency, and increase competitive pressure within the market. The sharing of unused spectrum may be particularly beneficial for smaller operators seeking to expand coverage and service offerings in areas where spectrum resources would otherwise remain unavailable.

133. The combined effect of the proposed infrastructure sharing, MVNO, roaming and spectrum-sharing provisions is to reduce several of the structural barriers that have historically limited entry and expansion in the electronic communications sector. Collectively, these measures are intended to improve access to essential inputs, including network infrastructure, wholesale mobile services and spectrum resources, thereby facilitating greater participation by new and smaller market participants.

Regulations on the Dynamic Spectrum Access and Opportunistic Spectrum Management

134. The Authority notes that the Regulations on Dynamic Spectrum Access and Opportunistic Spectrum Management (“DSA”)[17] are intended to promote the more efficient utilisation of radio frequency spectrum by enabling dynamic and shared access to underutilised spectrum resources while maintaining appropriate protections for incumbent and primary users. The Authority recognises that access to spectrum remains a significant determinant of effective participation in electronic communications markets. To the extent that dynamic spectrum access mechanisms enable additional users to

[17] Regulations on Dynamic Spectrum Access and Opportunistic Spectrum Management in the innovation spectrum 3800 - 4200 MHz and 5925 – 6425 MHz, Government Notice 7501, Gazette No. 54718

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access spectrum resources that might otherwise remain underutilised, the proposed regulations may reduce barriers to entry and expansion, particularly for smaller operators, community networks, innovative service providers and new market entrants.

135. The DSA framework is intended to support the emergence of new technologies, services and applications through more flexible spectrum management approaches. By facilitating access to innovation spectrum bands and supporting experimentation, trials and new deployment models, the proposed regulations may encourage innovation and increase the range of services available to end-users. Such developments may strengthen competitive rivalry and reduce the advantages associated with concentrated spectrum ownership.

136. Overall, the combined effect of current policy, legislative and regulatory initiatives is to increase access to the key inputs required for participation in electronic communications markets, namely spectrum, infrastructure, facilities, roaming arrangements, MVNO access and deployment rights. The IMT Roadmap, DSA framework, Rapid Deployment Regulations and the proposed ECA amendments all reflect a regulatory trajectory directed towards reducing barriers to entry and expansion, facilitating infrastructure and spectrum sharing, and promoting competition. Against this backdrop, a restrictive approach to the granting of additional I-ECNS licences appears difficult to reconcile with the broader policy direction currently being pursued by both the Authority and the Ministry.

### Authority’s preliminary view

137. The Authority's preliminary view is that the issuance of additional I-ECNS licences is likely to enhance market contestability and reduce barriers to entry in certain electronic communications network markets, particularly in circumstances where prospective entrants currently rely on the acquisition of licences through the secondary market in order to obtain market access.

138. The Authority recognises, however, that licensing reform alone is unlikely to address all competition and market development challenges within the electronic communications sector. Sustainable and effective competition is more likely to arise through a comprehensive regulatory framework that includes, among other measures, appropriate access to spectrum, infrastructure sharing arrangements, wholesale access remedies, efficient network deployment processes, and other complementary regulatory interventions designed to promote investment, innovation, and consumer welfare.

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139. Accordingly, while the availability of additional I-ECNS licences may constitute an important mechanism for facilitating entry and reducing regulatory barriers, it should be viewed as one component of a broader set of regulatory and market conditions required to support effective competition and the achievement of the objects of the Act.

**Questions:**

1. **Do you agree with the Authority's preliminary view that the issuance of additional I-ECNS licences is likely to promote the objects of the ECA and enhance competition within the electronic communications sector? Please provide reasons and supporting evidence for your position.**
2. **Which specific electronic communications network markets or market segments are most likely to benefit from the issuance of additional I-ECNS licences, and why?**
3. **Do you consider licence transfer prices in the secondary market as excessive? If so, provide a rationale and evidence for your response.**

## SECTION 4: WHETHER THE NEW I-ECNS WILL CONTRIBUTE TO UNIVERSAL PROVISION OF ELECTRONIC COMMUNICATIONS NETWORKS.

### Introduction

140. Universal Access and Universal Service are foundational principles of South Africa's communications policy aimed at ensuring that all citizens, regardless of income level, geographic location, gender, age, or disability, can access and use affordable electronic communications services. Historically, the concept emerged from efforts to extend basic telecommunications services to underserved communities during the post-apartheid period. However, with the growth of broadband and digital services, the focus has broadened from basic connectivity to universal and meaningful connectivity, primarily access that is affordable, reliable, safe, and supported by appropriate devices and digital skills.

141. Universal access and service are central to the ECA, the National Broadband Policy (South Africa Connect), the work of the Universal Service and Access Agency of South Africa (USAASA), and the Universal Service and Access Fund (USAF). The policy objective is to reduce the digital divide and ensure that access to communications services contributes to economic growth, social inclusion, education, healthcare, innovation, and participation in the digital economy.

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## Current State of Universal Access and Service in South Africa

142. South Africa has made substantial progress in extending network coverage. The State of ICT Sector report of 2026[18] reports that Mobile broadband (4G) coverage exceeds 99% of the population. Most citizens now live within reach of a mobile broadband network. This suggests that the traditional universal access objective, basic network availability, has largely been achieved.

143. Notwithstanding widespread coverage, universal service has not yet been achieved. The Digital Infrastructure Investment Study by the DBSA[19] indicates that affordability has emerged as a greater barrier to broadband adoption than coverage. The study finds that a significant proportion of South African households, particularly those in lower-income categories, may struggle to afford broadband services. Rural households remain disproportionately affected.

144. Consequently, while many South Africans are technically covered by broadband networks, they remain effectively excluded from the benefits of digital connectivity due to price constraints. In addition, certain rural and remote areas continue to experience limited access to high-quality broadband services and newer technologies such as Fibre-to-the-Home (FTTH) and fifth generation (5G) mobile networks. Ongoing investment and infrastructure deployment are therefore required to ensure that access to communications services keeps pace with technological advancements and evolving consumer needs.

## Stakeholder submissions

145. The Authority received extensive comments and submissions from stakeholders on the question of whether an ITA for new I-ECNS licences would contribute to the achievement of Universal access and service objectives.

146. While there is broad agreement that additional I-ECNS licences may advance connectivity in underserved, rural, township, and remote communities, stakeholders differ on the extent to which new licences alone can deliver universal access and service,

[18] The State of the ICT Sector Report of South Africa March 2026
[19] Development Bank of Southern Africa (DBSA) & National Planning Commission (NPC). (2025). *South Africa's Digital Infrastructure Investment Study 2025*

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the conditions that should accompany such licences, and the potential risks associated with expanding the licensing regime.

New licences as a tool for expanding universal access

147. A number of stakeholders argued that new I-ECNS licences would directly improve universal access by enabling additional operators to deploy infrastructure in areas where existing operators have not invested. PBICT argues that:
    147.1. Many underserved areas are already served by small regional operators.
    147.2. Township and rural connectivity are often driven by SMMEs.
    147.3. Community-based and localised network models are better positioned to reach underserved communities.
    147.4. Connectivity to schools and community centres.
    147.5. Reduced data costs for youth and rural communities

*148.* Several stakeholders further submit that rural connectivity gaps remain despite existing licensees. Stakeholders such as Amazon LEO, Sateliot and others point to how new licensees, particularly satellite operators, can extend communications services to previously unserved communities. New entrants using Non-Terrestrial Network (NTN) technologies can connect underserved regions and IoT devices in areas where terrestrial networks are difficult to deploy

149. The Authority notes that a number of stakeholders such as the B-BBEE ICT Sector Council and SABNA were of the view that universal access should be pursued through greater participation by SMMEs, historically disadvantaged groups and community-based operators. They argue that Licensing is an important transformation instrument. Access to licences should advance meaningful black ownership and participation. PBICT, SABNA and the B-BBEE ICT Sector Council all view universal access as closely linked with economic transformation and participation by new market entrants.

New licences alone will not deliver universal access

150. A number of stakeholders, including amongst others, MTN, Vodacom, and Rain, argue that licensing is not the primary barrier to universal access. These stakeholders submit that national network coverage levels are already high and that the remaining challenges relate more directly to infrastructure investment, affordability, and market economics than to licensing constraints. They further argued that infrastructure-based competition

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depends on adequate investment incentives rather than the number of licensed operators. According to these stakeholders, competition and expansion into underserved areas are constrained principally by capital requirements, spectrum access, and the economics of network deployment.

151. Despite the difference in the views as articulated above, there is broad consensus that universal access benefits will only be realised if new licences are accompanied by complementary regulatory measures. The measures identified include stronger regulations governing infrastructure sharing as this will reduce duplication and lower rollout costs. In addition, stakeholders argue that infrastructure sharing can lower rollout costs and accelerate deployment into underserved areas.

152. PBICT, Eastet and Sprintug have also identified Open Access and Wholesale Regulation as key measures that will assist new licences to meaningfully contribute to universal access. Rollout Obligations / Use-It-Or-Lose-It Rules

Concerns about negative consequences

153. A minority of stakeholders cautioned that the introduction of additional licences could give rise to unintended consequences. Sentech submitted that further licensing could lead to unnecessary infrastructure duplication and increased market fragmentation. MTN similarly argued that excessive fragmentation may weaken incentives for large-scale infrastructure investment, given that infrastructure-based competition often requires significant scale to justify substantial capital expenditure.

Overall assessment of stakeholder views

154. The dominant stakeholder view is that new I-ECNS licences could contribute positively to universal access and service, particularly in rural and underserved areas, but that their success depends on complementary measures such as infrastructure sharing, wholesale access, rollout obligations, transformation safeguards and regulatory efficiency. The primary disagreement is whether licensing itself is the main barrier, or whether deeper structural issues must be addressed before meaningful universal access gains can be realised.

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### Authority's preliminary view

155. The introduction of a direct licensing framework and the issuance of additional licences may promote competition, encourage investment, and facilitate market entry. However, the issuance of new licences does not guarantee the achievement of universal service and universal access objectives. As recognised in telecommunications regulatory practice globally, market-driven outcomes do not always align with broader public policy objectives relating to equitable access to communications services, particularly in rural, remote, and economically disadvantaged communities. Similarly, South Africa's broadband policy, SA Connect,[20] acknowledges that market forces alone are often insufficient to extend communications infrastructure and services to underserved areas because operators naturally prioritise investments that generate the highest commercial returns.

156. In a competitive market environment, licensees are generally incentivised to deploy infrastructure and provide services in densely populated urban and metropolitan areas where demand is concentrated, revenues are higher, and deployment costs per user are relatively low. Conversely, rural and remote areas are often characterised by lower population densities, reduced purchasing power, limited supporting infrastructure, and higher network deployment costs. These factors weaken the commercial case for investment and may result in persistent coverage and access gaps despite the presence of multiple licensed operators.[21]

157. A direct licensing framework should be viewed as a necessary but not sufficient mechanism for achieving universal service and universal access. While reducing unnecessary licensing barriers may encourage new entrants, innovation, and investment, there remains a risk that operators will focus predominantly on commercially attractive markets. Without complementary regulatory interventions, the benefits of increased competition may accrue primarily to urban consumers while underserved communities continue to experience limited access to affordable and quality electronic communications services.

158. As supported by some stakeholder submissions articulated above, a direct licensing framework can nevertheless make a significant contribution to universal service and

[20] South Africa Connect: Creating Opportunities, Ensuring Inclusion South Africa's Broadband Policy 20 November 2013

[21] Refer to International Telecommunication Union (ITU). (2023). *Global Connectivity Report 2023*. Geneva: ITU and World Bank. (2012). *Broadband Strategies Handbook*. Washington DC: World Bank

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universal access where it is accompanied by appropriate safeguards and obligations. Lower barriers to entry can facilitate the participation of smaller operators, community networks, wireless broadband providers, municipal entities, and innovative service providers that may be better positioned to serve niche and underserved markets.

159. As articulated in other sections of the discussion document. There is no one solution that is likely to single-handedly solve the major challenges faced with regard to universal service and access. However, a combined and sustained series of regulatory interventions as described in section 3 above will cumulatively improve the overall outcomes.

160. The Authority notes that a number of stakeholders have indicated that they support the view that when incorporating universal service and access obligations into new licence terms, the following should be considered:

160.1. Terms & Structure: Licence conditions should be standard, technology-neutral, scalable, and harmonised to provide consistency. Obligations should include clear network coverage targets, phased deployment timelines, and affordable service packages.

160.2. Monitoring & Compliance: Accountability should be maintained through regular reporting, audits, and periodic licence reviews.

160.3. Special Tailoring: Small and new licensees should receive tailored licences to ensure their long-term commercial sustainability. Furthermore, result-based obligations (focusing on actual coverage and service quality) are heavily preferred over rigid, process-based rules.

161. As recognised above, affordability is increasingly viewed as one of the most significant barriers to meaningful connectivity. Consumers must also be able to afford devices, services, data packages, and ongoing connectivity costs in order to participate effectively in the digital economy.[22] One of the primary benefits of a direct licensing framework is that it can facilitate increased market entry and competition, which may place downward pressure on prices. Empirical evidence indicates that increased market participation can contribute to affordability outcomes. A study by Research ICT Africa[23]

[22] *OECD Digital Economy Outlook 2024*. Paris: Organisation for Economic Co-operation and Development.

[23] Gillwald, A., Mothobi, O., & Rademan, B. (2018). *The State of ICT in South Africa*. Research ICT Africa, Policy Paper No. 5, Series 5

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found that increased competition from challenger operators contributed to declining effective data prices and improved affordability for South African consumers.

162. Overall, while a direct licensing framework can support these objectives by lowering barriers to entry, increasing competition, stimulating innovation, and placing downward pressure on prices, evidence suggests that new entry alone is insufficient to achieve universal access outcomes. Research demonstrates that new entrants can stimulate competitive responses through lower effective prices and improved consumer offerings. However, because market participants are likely to focus on commercially attractive areas, licensing reform should be complemented by measures such as infrastructure sharing, spectrum access reform, wholesale access, and universal service obligations to ensure that the benefits of competition extend to underserved communities. Accordingly, a direct licensing framework should be viewed as an important enabler of universal service and access, with its success ultimately measured by its ability to expand affordable and meaningful connectivity for all South Africans.

**Questions:**

1. **To what extent would the introduction of a direct licensing framework and the issuance of additional I-ECNS licences contribute to the achievement of universal access and universal service objectives in South Africa?**
2. **What evidence is available to demonstrate that new I-ECNS licensees are likely to extend services to underserved, rural, township, remote, and low-income communities?**
3. **Is an ITA a necessary and appropriate intervention to advance universal access and universal service objectives in South Africa? Please provide reasons and supporting evidence.**
4. **What rollout or universal access and service obligations, if any, should be attached to new I-ECNS licences?**
5. **Based on your answer to question 4, how should such obligations be measured and monitored to ensure they are effective? Explain your answer**

## SECTION 5: THE BENEFITS OF AND THE COSTS OF NEW I-ECNS LICENCES. (traditional vs modern networks – broken into smaller networks)

### Overview

163. This section considers the potential benefits and costs of issuing new Individual Electronic Communications Network Services (I-ECNS) licences. It examines both the possible negative consequences associated with infrastructure rollout by new I-ECNS licensees and the additional benefits that may arise from granting new licences.

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164. The responses to questions 5.1 and 5.2 revealed broad support for increased competition and investment in electronic communications infrastructure, with most stakeholders stating that the potential benefits of new I-ECNS licences would outweigh any potential negative consequences.

165. Respondents were of the view that new entrants could stimulate innovation, expand network coverage, improve service quality, increase consumer choice, and contribute to lower prices, particularly in underserved and rural areas. Satellite and non-terrestrial network operators emphasised that new licences would facilitate rapid deployment, enhance broadband access in areas considered to be technically and/or financially infeasible, improve network resilience in emergency situations, and help bridge the digital divide.

166. At the same time, some stakeholders identified several risks associated with infrastructure rollout. The most frequently cited concern was the duplication of infrastructure, particularly fibre trenching and network overbuilds, which could lead to inefficient investment, unnecessary environmental impacts, and pressure on municipal planning systems.

167. Furthermore, some stakeholders highlighted administrative challenges such as inconsistent wayleave processes and regulatory compliance costs. However, some stakeholders argued that the aforementioned challenges could be addressed by infrastructure sharing, open-access models, coordinated infrastructure planning, standardised municipal approval processes, and effective regulatory oversight.

168. A clear distinction emerged between incumbent terrestrial network operators and non-terrestrial or satellite providers. The former generally questioned the necessity and whether new licences would generate meaningful incremental benefits; arguing that the current licensing framework is not a barrier to entry and that infrastructure sharing should rather be considered by the Authority, as they argued that it will yield greater efficiencies.

169. In contrast, satellite operators maintained that new licences would promote competition, innovation, complement existing offerings, increase customer choice, bridge the digital divide and so on. Overall, the prevailing view was that the advantages of increased market participation and expanded connectivity significantly outweigh the manageable risks associated with infrastructure deployment.

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### Submissions on potential negative consequences pertaining to infrastructure rollout by new I-ECNS licensees

170. This section provides a high-level summary of all submissions in response to question 5.1. Submissions have been grouped into four themes.

171. Firstly, several respondents did not foresee significant negative consequences arising from the rollout of infrastructure by new I-ECNS licensees, although their reasons differed. Vodacom submitted that it does not regard the current licensing framework as a barrier to entry and therefore does not anticipate an influx of new national infrastructure rollout as a result of new I-ECN licensees. Eutelsat, Plan-S, Amazon Leo, Sateliot and ISPA similarly did not anticipate material negative consequences, although their views were generally based on the adequacy of existing regulatory safeguards and, in the case of satellite operators, the limited need for terrestrial infrastructure deployment. MTN also stated that it does not foresee how infrastructure investment could result in negative outcomes and argued that such investment should be encouraged.

172. Secondly, many respondents identified infrastructure duplication and environmental impacts as the principal risks associated with new infrastructure deployment. Maziv, Rain, Sentech, SACF and GSOA cautioned that uncoordinated rollout may result in duplicated networks, trenching and overbuilds, leading to inefficient capital allocation, increased environmental impacts and pressure on municipal planning systems. Although they did not oppose new licensing, they argued that infrastructure deployment should be better coordinated and supported through facilities-sharing arrangements.

173. Thirdly, Telkom, ACT and Liquid highlighted the administrative and regulatory challenges affecting infrastructure deployment, rather than on the rollout of infrastructure itself. They identified several key barriers, including lengthy wayleave processes, inconsistent municipal requirements, approval delays and varying municipal fees. They also called for greater harmonisation of municipal processes and the effective implementation of rapid deployment guidelines to support more efficient infrastructure rollout.

174. Finally, some respondents identified specific risks associated with emerging technologies, market concentration or operational challenges. Eskom raised concerns regarding cybersecurity threats linked to AI and IoT technologies, while Avanti cautioned against the risks associated with dependence on a dominant provider, particularly one

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controlled outside South Africa. Cell C highlighted the significant costs associated with infrastructure rollout and regulatory costs.

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### Submissions on the additional benefits of new I-ECNS licences relative to existing licensees

175. Majority of stakeholders identified a range of potential benefits that could arise from the issuance of new I-ECNS licences. A common theme was that new entrants could provide benefits such as immediate geographic coverage expansion, stimulate competition, innovation, ownership diversity and consumer welfare.

176. SPRINTSA argued that new licensees would bring technological agility, targeted innovation, improved efficiency, greater consumer choice and competitive pricing. Similarly, Cell C highlighted an Australian example where new entrants had contributed to improved coverage, innovation and economic growth. Furthermore, GSOA, Plan-S and SACF emphasised the competitive and innovation benefits associated with increased market participation.

177. Sateliot, Eutelsat, Amazon Leo, Maziv and Liquid Telecommunications argued that new licensees would bridge the current digital divide and support universal access objectives, economic development and social inclusion by extending broadband services to communities that remain underserved by existing terrestrial networks.

178. Further, satellite providers such as Eutelsat, Sateliot, Amazon Leo, GSOA and Plan-S argued that satellite services can be deployed more rapidly than terrestrial infrastructure, require minimal civil works, provide connectivity in remote or difficult-to-reach areas, improve network resilience and support emergency communications. Further, they argued that satellite networks should be viewed as complementary to terrestrial infrastructure rather than as direct substitutes.

179. In contrast, Vodacom stated that it does not consider the current licensing framework to be a barrier to entry and therefore, does not anticipate substantial additional benefits from issuing new licences. Similarly, Telkom argued that the marginal benefits of additional licences are likely to be negligible and should be assessed on the merits of specific business cases. Rain also argued that many of the anticipated benefits highlighted above could be achieved through improved infrastructure sharing and regulated open-access conditions rather than through the issuance of new licences.

### Authority’s preliminary view

180. The Authority notes that the majority of stakeholders consider the potential benefits associated with the issuance of new I-ECNS licences to outweigh the negative

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consequences. Stakeholders generally submitted that new licensees could contribute to increased competition, innovation, investment, improved service quality, expanded consumer choice and enhanced connectivity, particularly in underserved and rural areas.

181. This view was largely expressed by satellite and non-terrestrial network operators, who highlighted the role that emerging technologies could play in extending broadband coverage and supporting universal access objectives. The existing terrestrial network operators are of the view that the new license would not deliver material benefits and that the Authority should instead consider infrastructure sharing mechanisms to facilitate entry into the market.

182. The Authority's preliminary view is that the potential negative consequences associated with infrastructure rollout by new I-ECNS licensees can be managed through existing legislative and regulatory mechanisms. Further, the Authority is of the considered view that the potential benefits such as increased competition, technological innovation, expanded consumer choice and improved connectivity are likely to mitigate or outweigh the identified risks.

**Question:**

**Do you agree with the Authority's preliminary view that the potential benefits of the new I-ECNS licences will outweigh the potential negative consequences. Please provide reasons for your answer.**

## SECTION 6: TRANSFER OTHER ISSUES RAISED

### Overview

183. With regard to question 6.1, stakeholders focused primarily on the adequacy of the current licensing framework and the future direction of regulatory policy. A substantial number of stakeholders argued that the existing regime, particularly its reliance on ministerial policy directions and secondary licence transfers, creates artificial barriers to entry that favour incumbents and limit competition. They, therefore, supported the issuance of new I-ECNS licences and called for licensing reforms to facilitate market entry, encourage innovation, and support universal access objectives.

184. Other stakeholders argued for the need to modernise the ECA and licensing framework to reflect technological convergence, digitalisation, and evolving network architectures.

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Furthermore, some stakeholders stressed the importance of aligning licensing decisions with broader national objectives, including SA Connect targets, universal service obligations, digital inclusion, and support for black-owned SMMEs and community network operators.

### Submissions on any additional comments on the Inquiry

185. This section provides a high-level summary of all submissions in response to question 6.1. The submissions revealed differing views regarding the current licensing regime and the appropriate policy response.

186. Some stakeholders argued that the existing licensing framework creates artificial barriers to entry and should be reformed. In particular, SPRINTSA and Plan-S submitted that the current reliance on licence transfers and ministerial policy directions limits market entry opportunities and favours incumbent operators. They supported the issuance of new licences and argued that increased market participation would advance competition, innovation and broadband expansion. However, PBICT and Inqwele Telecoms argued that the new licensing framework should enable and protect SMMEs and community network operators, while prioritising meaningful participation by black-owned ICT SMMEs.

187. SpaceX's argued that the current licensing framework creates unnecessary and artificial barriers to market entry given that it requires prospective entrants to acquire licences from existing licensees and then obtain the necessary transfer approvals from ICASA, which gives the current license holders significant control over market entry. According to SpaceX, this process encourages rent-seeking behaviour, increase entry costs, and limit competition without providing any corresponding regulatory benefit. SpaceX argued for direct applications for I-ECNS and I-ECS licences, which would reduce barriers to entry, promote competition, attract investment, support broadband expansion, and reduce the digital divide.

188. Avanti Communications argued that if the result of this inquiry is the issuance of new licences that do not comply with Section 9(2)(b) of the ECA, then current licensees should also be exempted from complying with the same requirements.

189. SPRINTSA and Amazon Leo called for clearer timelines for completing the inquiry and implementing any licensing process.

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### Authority's preliminary view

190. The Authority notes that submissions revealed broad support for reviewing and modernising the current licensing framework. A significant number of stakeholders submitted that the existing framework may create artificial barriers to entry, particularly through its reliance on licence transfers by potential entrants in the market, and that a more flexible licensing regime could promote competition, investment and innovation. Several respondents also called for regulatory modernisation to ensure that the licensing framework remains responsive to technological and market developments.

191. The Authority's preliminary view is that there is merit in considering measures that facilitate market entry and enhance regulatory efficiency, provided that any reforms continue to support competition, universal access, transformation objectives and the efficient deployment and utilisation of communications infrastructure.

**Question:**

**Any other issues that the Authority did not consider? Please provide details to your answer.**

## AUTHORITY'S OVERALL PRELIMINARY VIEW

192. The Authority has considered stakeholder submissions and is of the preliminary view that there is merit in considering the issuance of new I-ECNS licences. The Authority considered the questions posed in the policy direction and our view as follows:

**Q1: Whether or not the implementation of the framework in the Act which allows for the transfer of individual electronic communications network service and electronic communications service licences has been effective and efficient with regard to the promotion of competition within the sector**

193. The Authority is of the preliminary view that the current framework permitting the transfer of I-ECNS, and I-ECS licences has not been fully effective and efficient in promoting competition within the sector. While the framework has provided a lawful mechanism for market entry and licence re-allocation, stakeholder submissions indicate that reliance on licence transfers and the secondary market has, over time, contributed to barriers to entry, increased transaction costs, administrative complexity and uncertainty regarding access to licences.

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194. Further, the Authority notes that the continued concentration of market activity among a limited number of operators suggests that the transfer framework, on its own, may not have sufficiently promoted market contestability and new entry.

**Q2: The demand for and need to invite, accept and consider applications for new individual electronic communications network service licences**

195. The Authority notes that stakeholder submissions demonstrate a clear demand for access to new I-ECNS licences across a range of market participants, including satellite operators, fibre network providers, infrastructure operators, SMMEs and other prospective entrants.

196. Therefore, the Authority is of the preliminary view that there is a reasonable basis to consider inviting, accepting and evaluating applications for new I-ECNS licences, subject to compliance with the requirements of the ECA and any applicable regulatory criteria.

**Q3: Whether new individual electronic communications network service licences will promote the objects of the Act and specifically improve competition in the market for individual electronic communications network services**

197. The Authority is of the preliminary view that the issuance of new I-ECNS licences may advance several of the objects of the ECA, including the promotion of competition, investment, innovation, consumer choice and participation by historically disadvantaged groups.

198. Direct access to licensing may reduce barriers to entry and improve market contestability, particularly in markets where access currently depends on acquiring licences through the secondary market.

199. However, the Authority recognises that licensing reform alone is unlikely to address all competition concerns and should be complemented by other regulatory interventions, including measures relating to spectrum access, infrastructure sharing, facilities leasing and wholesale access.

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**Q4: Whether or not and how new individual electronic communications network service licences will contribute to universal provision of electronic communications networks**

200. The Authority is of the preliminary view that new I-ECNS licences may contribute positively to universal access and service objectives by encouraging additional investment in communications infrastructure, supporting the deployment of innovative technologies and facilitating participation by operators targeting, among others, underserved and rural areas. Furthermore, increased competition can help improve the overall affordability of services.

201. Stakeholder submissions indicate that new entrants, particularly those utilising satellite and other emerging technologies, may be well positioned to extend connectivity to rural, remote and underserved communities. The Authority nevertheless notes that the achievement of universal access objectives will depend not only on the issuance of licences but also on the inclusion of appropriate rollout obligations and other complementary regulatory measures.

**Q5: Whether the benefits of new individual electronic communications network service licences outweigh the costs, including the cost to the Authority of monitoring and enforcing compliance with any licences and the burden on the environment**

202. The Authority's preliminary view is that the potential benefits associated with the issuance of new I-ECNS licences are likely to outweigh the associated costs. Stakeholders identified benefits including increased competition, innovation, investment, consumer choice and improved connectivity.

203. While concerns were raised regarding compliance monitoring, administrative costs, infrastructure duplication and environmental impacts, the Authority is of the view that these risks may be mitigated through existing legislative and regulatory mechanisms, including licence conditions, reporting obligations, compliance monitoring and infrastructure sharing measures.