
GENERAL NOTICE

NOTICE 1505 OF 2008

INVITATION TO APPLY

FOR A

RADIO FREQUENCY SPECTRUM LICENCE

FOR THE PURPOSES OF PROVIDING

A MOBILE DIGITAL VIDEO BROADCASTING SERVICE

Introduction

The Independent Communications Authority of South Africa ("the Authority") hereby, in terms of section 31(1), 31(2), 31 (3) and 63(3) of the Electronic Communications Act, Act 36 of 2005 ("The Act"), invites individual broadcasting service, electronic communications service and electronic communications network service licensees to apply for the two available radio frequency spectrum licences for the purposes of providing a mobile digital video broadcasting service in accordance with the particulars contained in the Schedules below.

Two metropolitan multiplexes have been set aside for the purposes of the provision of mobile digital video broadcasting service based on the DVB-H standard, as adopted by South Africa in terms of the Ministerial Policy Directive of September 2007 and consistent with the International Telecommunications Union Regional Radio Conference of 2006 (RRC 06) decisions. It is envisaged that, over time, as frequencies are freed up in the broadcasting digital migration process, the Authority will reserve a right to extend the coverage to other areas in South Africa.

The Authority has identified the following frequencies to be used for the two metropolitan multiplexes:

Metropolitan Area	Frequency Channels
Johannesburg, Pretoria and surrounding areas	33 (network 1) and 35 (network 2)
Durban and surrounding areas	33 (network 1) and 25 (network 2)
Cape Town and surrounding areas	28 (network 1) and 32 (network 2)

Accordingly, the Authority invites suitable applicants in any one of the categories mentioned herein to apply for the frequency channels listed above: individual commercial subscription broadcasting, public and commercial free-to-air television broadcasting service, electronic communications service, electronic communications network service licensees to apply for the radio frequency spectrum to provide mobile broadcasting services based on the DVB-H standard. All applications will be considered based on this ITA and applicable regulations made by the Authority.

BEFORE COMPLETING THE APPLICATION FORM, APPLICANTS MUST CAREFULLY READ THE NOTES UNDER SCHEDULE A AND ALSO REFER TO THE APPLICABLE REGULATIONS MADE BY THE AUTHORITY AND APPLICABLE IN TERMS OF THE ACT.

Schedule A

1. Applications must be made in writing.
2. Applications must answer all questions set out in this application form fully. If any question is considered not applicable, please mark N/A with further explanation if necessary.
3. The applicant must provide the original plus twenty-five copies of the completed application form.
4. All applications submitted to the Authority pursuant to this ITA will be made available for inspection by interested persons at the Authority's library and copies of the applications will be obtainable.
5. Each application must be permanently bound (using either heat binding or spiral binding).
6. Each application must have a cover page with the name of the applicant, the licence being applied for and year of application on it.
7. The pages immediately following the cover must be the content pages which detail each section of the application and its page number.
8. Pages including the appendices **must** be numbered sequentially starting with the page immediately following the contents pages as page 1 and ending with the very last page of the application.

9. In the event that the applicant has to submit its application in more than one part or volume, each part or volume must have a cover page. In this case the cover page must specify the number of the part or volume (i.e. Part one, Part Two or Volume One, Volume Two). Each volume or part must also have the full set of content pages and sequentially numbered as noted.

10. Subject to section 4D of the Independent Communications Authority of South Africa Act, Act 13 of 2000, applicants may request that any part of the application be treated as confidential. The Authority may determine that an application or portions thereof are confidential and the Authority will inform applicants accordingly. If the request for confidentiality is refused, the Applicant making the request will be allowed to withdraw such portions as applicable or waive the confidentiality as appropriate. Applicants' attention in this regard is drawn to Section 4D of the Independent Communications Authority of South Africa Act, Act 13 of 2000 with regard to applications for confidentiality.

11. Applicants for the radio frequency spectrum for the purposes of providing mobile DTT broadcasting services must be the holders of either an individual television broadcasting service, electronic communications service or electronic communications network service licence issued in terms of the EC Act. The Authority will however accept applications based on the following models:

11 (1) BROADCASTING SERVICE LICENSEE LED BUSINESS MODEL

(a) the broadcasting service licensee must:

- (i) provide proof of capacity to source or produce content to be broadcast on the assigned multiplex;

- (ii) prove its ability to broadcast a minimum of 16 channels on the assigned multiplex;
- (iii) prove its financial viability and sustainability by submitting a detailed business plan projected over a five year period;
- (iv) provide the electronic communications network services subject to the prior acquisition of an ECNS licence or secure the services of an already licensed ECNS to provide the ECNS.

(b) Where the broadcasting service licensee secures the services of a licensed ECNS, the broadcasting service licensee must:

- (i) file a copy of the agreement which will govern the relationship between the parties as part of the licence application submitted to the Authority;
- (ii) demonstrate that the ECNS licensee has the necessary experience and technical capacity to provide the required services;
- (iii) provide a detailed technical plan and national coverage plan (roll-out plan) as part of the licence application

11 (2) BROADCASTING SERVICE LICENSEE (SELF PROVISION) BUSINESS MODEL

(a) the broadcasting service licensee must:

- (i) provide proof of capacity to source or produce content to be broadcast on the assigned multiplex;
- (ii) prove its ability to broadcast a minimum of 16 channels on the assigned multiplex;

- (iii) prove its financial viability and sustainability by submitting a detailed business plan, projected over a five year period;
- (v) demonstrate the necessary experience and technical capacity to provide the required services;
- (vi) provide a detailed technical and national coverage plan (roll-out plan) as part of its licence application,

11(3) ELECTRONIC COMMUNICATIONS SERVICE (ECS) LED BUSINESS MODEL

(a) The electronic communications service licensee must:

(i) prove its financial viability and sustainability by submitting a detailed business plan, projected over a five year period;

(ii) provide, as part of its spectrum licence application, an agreement entered into with an individual broadcasting service licensee with the necessary capacity to source or produce content to be broadcast on the assigned multiplex:

- (a) The BSL must provide proof of capacity to source and produce content to be broadcast on the assigned multiplex;
- (b) The BSL must be able to broadcast a minimum of 16 channels on the assigned multiplex;

(b) provide, as part of its spectrum licence application, an agreement entered into with an individual ECNS licensee which shall provide signal distribution services;

(c) demonstrate that the ECNS license has:

(i) the necessary experience and technical capacity to provide the required services;

(d) the ECNS must provide a detailed technical plan and national coverage plan (roll-out plan) as part of the licence application.

11 (4) ELECTRONIC COMMUNICATIONS NETWORK SERVICE (ECNS) LED BUSINESS MODEL

(a) The Electronic Communications Network Service (ECNS) must:

(i) prove its financial viability and sustainability by submitting a detailed business plan, projected over a five year period;

(ii) demonstrate the necessary experience and technical capacity to provide the required services;

(iii) provide a detailed technical plan and national coverage plan (roll-out plan) as part of the licence application.

(b) provide, as part of its spectrum licence application, an agreement entered into with an individual broadcasting service licensee with the necessary capacity to source or produce content to be broadcast on the assigned multiplex

(c) the BSL must provide proof of capacity to source or produce content to be broadcast on the assigned multiplex;

(d) the BSL must prove its ability to broadcast a minimum of 16 channels on the assigned multiplex.

11(5) The Authority reserves the right to increase the coverage area of any licensee, subject to the availability of frequency, as a result of the digital dividend, and in an endeavour to achieve national coverage.

11(6) The broadcasting service licensee and the ECNS licensee must satisfy any other condition, criteria and procedure set out in the regulations and other legislation.

12. Every application must be accompanied by a non-refundable application fee of R 70 000.00

13. Applications must be addressed for the attention of the Chairperson and submitted to the General Manager: Licensing and Compliance at Block B, Pinmill Farm, 164 Katherine Street, Sandton, Johannesburg.

14. The closing date for the submission of applications shall be no later than 16h00, South African time, on or before 27 February 2009.

15. Failure to comply with any of these requirements may render the application liable to disqualification .

ANNEXURES

1. PARTICULARS OF THE APPLICANT	
Full name of applicant:	
Designated contact person:	
Applicant's street address:	
Applicant's principal place of business (if different from street address):	
Applicant's postal address:	
Applicant's phone number/s:	
Applicant's fax number/s:	
E-mail address of designated contact person:	
2. LEGAL FORM OF APPLICANT	
Indicate if the Applicant is :	
partnership	
juristic person	
other (specify)	
If the registrant is a juristic person:	
Indicate the legal form of the Applicant(e.g. private company incorporated in terms of the Companies Act, 1973):	
Registration number of the Applicant:	
Attach certified copies of the Applicant's certificate of incorporation and memorandum and articles of association or other constitutive documents of the Applicant (e.g. memorandum and articles of association, association agreement, constitution) indicating the applicant's compliance with the requirements of section 5(8) (b) of the Act.	
ATTACH AS APPENDIX 2.1	
If the registrant is not a juristic person but intends to operate as one, if the licence that is the subject of this registration is granted:	
Provide a written undertaking that the registrant will comply with section 5(8) (b) of the Act.	
ATTACH AS APPENDIX 2.2	
Indicate when and how the registrant will comply with section 5(8) (b) of the Act.	
Provide a resolution authorizing the signatory to this application to sign this application and/or to represent the applicant at the Authority's hearings in respect of this application.	
ATTACH AS APPENDIX 2.3	

3. IDENTIFICATION OF APPLICANT
The applicant must take the form or shape of one of the models as outlined in 11(1) or 11(2) or 11(3) or 11(4) above.
4. SERVICE DETAILS
Proposed service name:
Nature of proposed service:
Free-to-air OR Subscription
5. FINANCIAL MATTERS
Applicants are required to attach proof of the following for the proposed mobile DTT broadcasting service that will be offered on the radio frequency networks:
Business plan (Inclusive of proposed channels to be introduced as part of this service)
ATTACH AS APPENDIX 5.1
Funding
ATTACH AS APPENDIX 5.2
Fixed assets
ATTACH AS APPENDIX 5.3
Share capital
ATTACH AS APPENDIX 5.4
Method of raising capital
ATTACH AS APPENDIX 5.5
Bank facilities
ATTACH AS APPENDIX 5.6
Grants and loans
ATTACH AS APPENDIX 5.7

Projected five-year income (advertising, sponsorship and/or subscription revenue) statement. Where the Applicant is the holder of an individual subscription broadcasting licence its attention is drawn to the provisions of section 60(4) of the EC Act which states that in no case may advertising or sponsorships, or a combination thereof, be the largest source of revenue for subscription broadcasting services.

ATTACH AS APPENDIX 5.8

Provide details of all ownership interests in the applicant and the identity of each holder of an ownership interest in the registrant. Where a applicant is a juristic person, only shareholdings (or equivalent) of 5% or more of the total issued shares (or equivalent) in the applicant are relevant.

Projected cash flow statement

ATTACH AS APPENDIX 5.9

Balance sheet

ATTACH AS APPENDIX 5.10

Sensitivity-test: Sensitivity tests must be submitted in the form of revised versions of the profit and loss, cash flow and balance sheet projections. Each set of revised tables should reflect only the effects of the single sensitivity test under consideration. The applicant should also provide supporting commentary to explain how he/she would accommodate any variance arising from the test in his/her programme plans, profitability, cash flow, etc

ATTACH AS APPENDIX 5.11

Complete summary of the estimated annual revenue and expenses for each 12 months' period ending on the licensee's financial year end of the proposed licence term.

ATTACH AS APPENDIX 5.12

Overall Expenditure

ATTACH AS APPENDIX 5.13

Give details where there is a proposed subscriber management service.

ATTACH AS APPENDIX 5.14

6. MARKET AND AUDIENCE RESEARCH

The Applicant is required to submit copies of original/primary research conducted in relation to the service applied for.

ATTACH AS APPENDIX 6.1 (Only 10 Copies required)

The Applicant is required to submit copies of secondary research conducted in relation to the service applied for.

The Applicant must demonstrate how the research informs the assumptions made in the business plan and how it informs the content to be provided.

7. SIZE AND COMPOSITION OF AUDIENCE

What Size of audience is expected, over the period one month.

Provide estimates of likely numbers of viewers / listeners, and or / or weekly reach as a percentage of the adult population of the licence area, together with the anticipated average weekly hours viewing / listening.

ATTACH AS APPENDIX 7.1

8. CHANNEL AUTHORISATION & LOCAL CONTENT

8.1 AUTHORISATION OF CHANNELS

Give details of all channels that would need to be authorised by the Authority from start-up (whether such channels are permanent or temporary, titles of channels, countries of origin and genre, and whether such channels comply with the relevant service Code of Conduct).

ATTACH AS APPENDIX 8.1

8.2 COMPLIANCE WITH SOUTH AFRICAN CONTENT REGULATIONS

Give details of how the service will comply with the Authority's South African Content Regulations for broadcasting services.

ATTACH AS APPENDIX 8.2

9. TECHNICAL

RESPONSES TO THIS SECTION OF THE APPLICATION WILL FORM THE BASIS OF THE APPLICANT'S UNDERTAKINGS, TO BE INCORPORATED IN THE SPECIFIC TERMS AND CONDITIONS OF THE RADIO FREQUENCY SPECTRUM LICENCE ISSUED FOR THE LICENCE PERIOD

Electronic Communication Network Service

The applicant must provide the name, address and contact person of the licensed broadcasting signal distributor (ECNS) to whom the frequencies will be co-assigned as required by the EC Act.

ATTACH AS APPENDIX 9.1

The ECNS must answer the following questions and the information must be attached to the application by the applicant:

Transmission Sites

Does the applicant propose to locate the transmitter and the antenna at the **same site as used by an existing licensee**? Provide full details of the linking arrangements between the studio and transmitter sites

ATTACH AS APPENDIX 9.2**Existing Sites**

Provide an outline description of the existing transmission site. Has the applicant entered into negotiations with the owner/operator of the site regarding arrangements for sharing the site should this application be successful? If so, provide details. If not, state what arrangements are anticipated. When is it expected that these negotiations will be concluded? State which facilities will be shared and which will be exclusive. Give details of methods and results of EMC studies conducted to ensure interference free operation.

ATTACH AS APPENDIX 9.3**New Sites.**

Provide full details of the proposed site including its location given in degrees, minutes and seconds, its ownership and present use, actual antenna pattern and proposed effective radiated power. State reason(s) for selecting this site. Provide information on investigations that have been made regarding the suitability of this site to accommodate the proposed service. Has local authority and civil aviation planning permission been obtained?

ATTACH AS APPENDIX 9.4**Transmission Equipment**

List the principal items and configurations of the proposed transmitter equipment, including antenna systems (with their associated gain); Give the maximum power output of the transmitter; State who will be responsible for supervising and who will be undertaking the transmitter installation; Give full details of technical competence to undertake this task; Who will be responsible for ensuring compliance with the Authority's technical specifications? Give details of the person's technical competence to undertake this task.

ATTACH AS APPENDIX 9.5**Transmitter Maintenance**

Describe the proposed arrangements for transmitter maintenance and repair. Who will be responsible for this? Give full details of the person's technical competence to perform this task. Indicate all test equipment available and show how important signal parameters will be monitored

and controlled. Describe the procedures in place for calibration of test equipment.

ATTACH AS APPENDIX 9.6

Give details of the transmitter network configuration based on the two metropolitan frequency networks as per GE-06, and the allocation of channels 33 and 35 in Gauteng, 25 and 33 in Durban and surrounding areas and for Cape Town and surrounding areas 28 and 32 (Any additional radio frequency spectrum information not provided in the ITA and required by the applicant to complete this section can be obtained upon written request to the Authority).

ATTACH AS APPENDIX 9.7

10. NETWORK UNDERTAKING

The Applicant must provide a detailed plan with timeframes for the roll-out of the mobile broadcasting service and the mobile DTT network to provide coverage at the main stadiums for the FIFA Confederation Cup in 2009 and the FIFA Soccer World Cup to be held in South Africa in 2010.

ATTACH AS APPENDIX 9.8

The person signing the application on behalf of the Applicant must acknowledge as follows:

I acknowledge that the Authority reserves the right to have any licence issued pursuant to this Application set aside should any material statement made herein, at any time, be found to be false.

Signed

(On behalf of APPLICANT)

I certify that this declaration was signed and sworn to before me aton the day of 20..., by the deponent who acknowledged that he/she:

1. knows and understands the contents hereof;
2. has no objection to taking the prescribed oath or affirmation; and
3. considers this oath or affirmation to be truthful and binding on his/her conscience.

COMMISSIONER OF OATHS
Name:
Address:
Capacity:
