

STATEMENT OF THE INDEPENDENT COMMUNICATIONS AUTHORITY REGARDING THE LICENCING OF 2.6GHz and 3.5GHz Broadband Spectrum

1 Introduction

Good morning to you all. You have been invited to this press briefing, as already indicated by the Chair, as per the legislative provisions which guide the Authority.

As you may be aware, the 2.6 GHz band is generally used for the deployment of mobile services. It is ideally located at high frequencies and is thus suited to providing capacity for high-speed broadband connectivity. It provides an excellent opportunity for launching two competing technologies: LTE (using paired spectrum/Frequency Division Duplex (FDD) and Wimax (using unpaired spectrum/Time Division Duplex (TDD).

2 Background

1. On the 2nd November 2006, the Independent Communications Authority of South Africa ("the Authority"), pursuant to section 31(3) of the Electronic Communications Act, 2005 (Act No. 36 of 2005) ("the Act"), published a discussion document soliciting written comments from interested persons regarding the procedures and criteria for granting a radio frequency spectrum licence for competing applications or instances where there is insufficient spectrum available to accommodate demand. The Discussion Document sought to, amongst others, solicit written responses

from interested persons to questions posed by the Authority in relation to the manner in which the residual radio frequency spectrum within the ranges of 2500 – 2960 MHz (“the 2.6 GHz band”) and 3400 – 3600MHz (“the 3.5GHz band ”) ought to be assigned.

2. The Authority received 33 written representations; 20 of those submitted requested to make oral representation. Public hearings were held on 28 -30 March 2007.
3. On 22 July 2009 ICASA published, for public comment in Government Gazette No. 32437, a notice inviting written comments on the Draft Radio Frequency Spectrum Licence Regulations (Draft Regulations). A total of 17 written submissions were received with 13 of those requesting an opportunity to also make oral submissions. The Draft Regulations were accompanied by a Reasons Document (Government Gazette No 32436) outlining the thinking and motivation behind certain positions taken by the Authority in the Draft Regulations. Subsequent public hearings were held on 20 -21 October 2009.
4. The Authority published final High Demand Spectrum regulations on 28 May 2010. Subsequently, on 28 May 2010 the Authority published 2 ITAs one reserved for the auctioning and assignment of 2.6GHz, and the other for the auctioning and assignment of 3.5GHz.

5. The initial deadline provided for the ITAs was 30 June. However the Authority subsequently postponed the deadline to 30 July in response to requests from members of the sector.
6. Following the publication of the final regulations and the Invitation to apply (ITA), the Authority has been inundated with letters and e-mails from the industry seeking clarity on the finer details of the assignment or licensing process.
7. The Authority has considered their concerns and decided to continue with the regulations as is, but withdraw and revise the ITAs for 2.6 and 3.5 GHz.

3 Rationale for withdrawing the ITAs

1. Technological considerations

The reasons document (Government Gazette No 32436) published on 22 July 2009 alluded to the notion of technology neutrality and the intention of the Authority to provide for both FDD and TDD technologies. It stated that such approach would necessarily entail that appropriate regulatory measures be introduced, including in-band migration of current licensees within the band. It further stated that this would require that the current licensees "be adequately consulted prior to the Authority invoking the necessary legislative provisions to effect such in-band migration."

The reasons document also alluded to the intention of the Authority to take into account ITU-R recommendations and consideration for mitigation against harmful interference.

Inevitably Technology changes rather rapidly. Whilst in the past WIMAX was the clear favourite, recently published literature suggests that market sentiment towards LTE has increased suggesting that further consultation is necessary. The Authority would thus like to embark on a consultation process with the intent of providing a more desirable configuration of the band, which best serves the interest of the public.

2. Auction rules

A review of auctions held elsewhere, including Europe and Asia, suggests that the success of an auction processes is dependent on experienced spectrum auctioneers and auctions rules which align with the agreed objectives. Technical considerations such as the configuration of the band and mitigation against interference should be designed into the auction rules. In the absence of both an experienced spectrum auctioneer and agreed objectives at this juncture, the authority believes it is prudent to widen the scope of our search beyond our borders to obtain the services of experienced auctioneers whilst we consult on other wide range of technical issues of the spectrum to ensure that our process enjoy maximum integrity aligned with best practise elsewhere.

4 Conclusion

In conclusion the Authority thanks you all for being gracious to join us this cold winters morning. We will do our best to ensure that you are informed of the timeframes going forward, notwithstanding it is envisaged that the revised ITA will be published in the financial year.