



Mr Mandla Mchunu
Manager: Spectrum Management

Proposed Radio Frequency Spectrum Licence Fee Regulation.

Dear Mr Mchunu

Global Communications hereby request an opportunity to make representations at the potential public Hearings. As an importer of the Kenwood product and a supplier to a large dealer base in South Africa we represent a majority of this base. The following has been endorsed by our current LMR clientele.

The concerns we have are as follows:

The registered LMR Dealer is licensed according to the act and follow all regulations as stipulated by the regulator, with very poor service delivery from the said regulator.

The function of said dealers is to provide a quality communication service at reasonable cost to various sectors in the South African Economy. The Dealer base understands the requirement for increases and finds the proposal very concerning.

Discussion document (Introduction)

- **Reasonable increases are acceptable provided the Dealer is not marginalised**
- **International fees have been and still are handled in a completely different way to South Africa, why should we follow there guidelines.**
- **How is the system unfair? All LMR licences are charged in the same way.**
- **Auction process will lead to even more possible spectrum hoarding and would be unfair for your average radio dealer**

Discussion document (Role of Spectrum Pricing)

- **All dealers currently use their spectrum allocation to its most effective possible maximum, as they loose out on revenue should it not be.**
- **As stated spectrum fees should not be a barrier to economic development and the proposed increases could do just that, create barriers.**

Discussion document (Methods of Spectrum Pricing)

- Is it ICASA's intention to just to cover costs of issuing and managing the various licences/Spectrum? If so the comment regarding raising revenue for the National Treasury needs to be adhered to and the document seems to lead down the path of generating maximum income rather than covering costs.

Discussion document (Administrative Incentive Pricing)

- How does ICASA intend to manage and monitor Power Output, As this will not necessarily limit use of spectrum as desired? (Geographically)**

Discussion document (Current Licence Fee Structure)

- The current structure is effective and easy to work with, it is accepted that annual increases are necessary but need to fall in line with current economic realities and not inflation related calculations.

Discussion document (Intentions of the Authority)

- It is acceptable to try and manage the spectrum in the most efficient manner, however it may not be practical to shift the various current licence holders out of current spectrum licences as this will require an equipment change that would lead to devastating costs that could close industry down.**
- Auctions are not an acceptable method of spectrum allocation as it could be unfair.**

Discussion document (Proposals for Revised Radio Frequency Spectrum Licence Fees)

- The formula's seem to be creating serious misunderstanding in the industry and do not seem to be fair. It would be great if the person who has constructed the formulas could explain in detail the exact result they are looking for.**
- Structured correctly discounted advance payments will be acceptable providing these licensed are guaranteed for these periods.**

In closing we are not sure that ICASA are going to be able to achieve their required goals with the proposed re-structure of the regulation as presented. Forums such as the PMRA should be consulted before any changes are committed, as they are representative of the entire industry.

Regards

Sean Mervitz

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