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DRAFT RADIO FREQUENCY SPECTRUM LICENCE FEES DISCUSSION DOCUMENT AND REGULATIONS

Radio Data Communications (PTY) Ltd. is broadly in agreement with the draft regulations primarily because it will reduce the annual licence fees paid by users of transmitters for security monitoring purposes. Considering the levels of crime in the country, the government and the authority are correct in making it less expensive for South African citizens to protect themselves against criminals. The government and South African Police have largely failed in their responsibility to protect their citizens. We do however have some major concerns which need to be addressed which are detailed below:

1. When reading through the draft regulations, it is not immediately evident that alarm transmitters, repeaters and base station units will no longer incur licence fees per individual unit, but rather be subject to a blanket fee for the frequency calculated using the factors and formula proposed. In future, when other parties who have not been involved in the drafting of these regulations are called upon to interpret them, the regulations may be misconstrued because of the lack of clarity. It is critical therefore that the regulations state that alarm transmitters, repeaters and base station units are individually exempt from these charges.
2. Frequencies for alarm monitoring are a valuable resource and because the licence fees are set to drop, ICASA must take great care in the issuing of frequencies to avoid haphazard issuing of licences. This is of great concern given the past and current mistakes being made and broad misunderstanding of the systems and how the issuing and sharing of frequencies can seriously affect other licensees and endanger lives. The authority must draft an informed set of criteria to which it must abide when issuing frequencies to avoid future ineffective use of the spectrum.

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3. **Section 3:** We find it discriminatory to use auctions as an assignment mechanism as proposed in this section. This methodology will unfairly favour large corporations with large sums of money who will obviously outbid new or smaller bidders. In section 2, it states that the new fee structure should not be a “barrier to economic development”. It is not the authorities’ mandate to make a profit, but rather to manage the spectrum efficiently. This is therefore unacceptable to us.
4. **Section 4:** This section refers to encouraging users to use “spectrally efficient technologies”. For this to work in practice, the authority must be educated about these technologies and actively support them. Experience has shown this to not be the case. Many of the alarm equipment manufacturers use “multi-user” technology for alarm monitoring. This is an extremely frequency efficient technology as it shares one frequency among many smaller users who would normally have each required their own frequency. Despite the manufacturers’ objections, the authority continues to issue licensed and operational “multi-user” frequencies to other single users which can severely affect the signals of all the users on the current “multi-user” technology on that frequency.
5. **Item 7.5.1:** The last sentence in the third paragraph of this item is incomplete.
6. **Item 7.6.4:** Please note that this point is ambiguous and has been confirmed to be wrong by Mandla Mchunu of ICASA. The point refers to a radius of 50km effectively being a radius of 100km which is not correct. The calculation is therefore also wrong. The calculation for the area of a circle is given by $\text{Area} = \pi \times \text{radius squared}$. Therefore the effective area is 7854km² and not 31,400km², and this gives an ASTER value of 56 not 180 as suggested in the test. This must be clarified before approval of the legislation.
7. **Item 7.6.7:** This item states that licensees will be required to comply with any regulations and guidelines regarding the maximum number of stations in any given system. It is critical that the authority revise these maximum quantity parameters for alarm communications systems as the current numbers are completely outdated. The current maximum numbers were introduced on the recommendation of the alarm equipment manufacturers many years ago. Security monitoring requirements have changed significantly since then. Because of the changing nature of crime in South Africa, alarm systems now require that a lot more information be sent via the radio spectrum to fulfil current security needs. Many other signals like “open up” and “lock up” signals, signals which monitor the status of the alarm equipment and Contact ID or SIA signals are also sent via the radio transmitter today. Some manufacturers have longer signal lengths to accommodate additional information

required as well. This means that more bandwidth is used by each transmitter requiring that the maximum number of transmitters that can be accommodated per frequency has dropped significantly. A frequency should be considered “full” with far fewer transmitters in current situations. It is critical therefore that these minimum numbers be revised in consultation with the equipment manufacturers before the legislation is approved.

8. There are two different Draft Regulation sections in the document on the ICASA website. It is not clear what the difference is between the Draft Regulation section which starts on page 26 and the Draft Regulation section which starts on page 40. They seem to be the same except for what appears to be missing parts of the Table of Fees on the latter. This needs to be clarified.

We thank you for the opportunity to comment on draft radio frequency spectrum licence fees discussion document and regulations. We hope that you will consider our comments favourably.

The Directors

RADIO DATA COMMUNICATIONS (PTY) LTD.