



Independent Communications Authority of South Africa (ICASA)  
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Per Email: [jmongalo@icasa.org.za](mailto:jmongalo@icasa.org.za)

For Attention: Mr. Jake Mongalo

Dear Mr. Jake Mongalo

**RE: COMMENTS: DRAFT INFRASTRUCTURE SHARING**

1. Transnet SOC Ltd ("Transnet") herein provides comments on the Draft Discussion Document on Infrastructure Sharing (hereinafter referred to as the "Discussion Document"), as requested by the Independent Communications Authority of South Africa.
2. **Ad paragraph 1: Do you agree that infrastructure sharing will encourage the deployment of networks to rural and sparsely populated areas? If not, please provide the reason(s) for your answer.**
  - 2.1 Yes.
  - 2.2 However, it must be borne in mind that the ability to share must be balanced with the operational and safety requirements of Transnet.
3. **Ad paragraph 1: In your opinion, how do you think infrastructure sharing will encourage service based competition?**
  - 3.1 It will enable service providers to compete on the service offering and not on infrastructure availability. When infrastructure is no longer a barrier then the focus can be on offering the best service.
4. **Ad paragraph 2: To what extent do you believe that the objectives of**

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**Directors:** LC Mabaso (Chairperson) B Molefe\* (Group Chief Executive) Y Forbes GJ Mahlalela PEB Mathekga N Moola ZA Nagdee VM Nkonyane  
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## infrastructure sharing are reached?

4.1 The objectives of infrastructure sharing as stated in document GG39208 are to:

- Promote effective competition
- Avoid duplication in infrastructure
- Reduce cost of service; and
- Realise universal access objectives

4.2 As acknowledged in Chapter 3 of the National Integrated ICT Policy Review Report of March 2015 (Department of Telecommunications and Postal Services), and in the part of Chapter 4 of the National Development Plan (NDP) that deals with Information and Communication Infrastructure, South Africa still has some challenges to overcome before it can meet the above mentioned objectives for Infrastructure Sharing as stated in document GG39208.

## 5. **Ad paragraph 3: Do you believe that the Authority should deal with infrastructure sharing matters in one Regulation?**

5.1 Yes, one Regulation would be helpful. Some of the infrastructure sharing requirements are already in the Facilities Leasing Regulations, therefore consolidation into one Regulation will be beneficial.

5.2 The envisaged Regulation should incorporate the requirements of all other applicable legislation (other than just the Electronic Communication Act, 2005 ("ECA")), for example legislation relating to health and safety, roads, pipeline and railway infrastructure.

## 6. **Ad paragraph 4: Please list other benefits realised as a result of infrastructure sharing.**

6.1 Reduction of cost to the economy, as in total ECA licensees will spend less on infrastructure.

6.2 Reduce the demand on the resources involved in environmental and wayleave approvals.

6.3 Reduce the risk posed by new trenching on existing infrastructure such as roads

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and pipelines.

**7. Ad paragraph 5: Do you think that it is necessary for the Authority to regulate for 'one-build' civil works and mast erections at this time? Please state your reasons.**

7.1 Regulating 'one build' civil works is supported, but only in relation to public infrastructure such as national, provincial and city roads and related infrastructure. 'One-build' civil works on private property may prove to be problematic.

7.2 'One-build' mast structures make sense, for example at the time of the approval for the build of a mast it makes economic sense to ensure that it has sufficient antenna loading capacity for future needs.

7.3 The following are concerns that ICASA needs to consider for 'one-build' types of infrastructure:

- The involvement of other Regulators and Organs of State in the 'one-build' decision-making process; and
- the affordability of the 'one-build' requirements by the first entity required to build infrastructure.

**8. Ad paragraph 5: In your view, what incentives will encourage infrastructure sharing in general?**

8.1 Proportional reduction in ICASA license fees for entities that have supported the 'one-build' initiative in a particular financial year.

8.2 Allowing only a certain number of ECA Licensees (or consortia of licensees) to lay fibre on public property.

8.3 Offering the possibility to offset the fulfilment of 'one-build' with Universal Service and Access Agency of South Africa ("USAASA") obligations.

**9. Ad paragraph 5: In your view, how can the Authority improve on its intervention in terms of non-discriminatory access to infrastructure?**

9.1 The Authority can publish a best practice document with recommendations on how

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the infrastructure sharing should be done fairly.

9.2 The Authority can implement regulations that forces large to medium operators to share their network and allow small to medium operators to share at a regulated price.

10. **Ad paragraph 5: Would you say that the facilities leasing regulations adequately cater for infrastructure sharing needs in South Africa? If not, please state the areas that have not been covered.**

10.1 Yes they do cater for infrastructure sharing, but the lack of best practice and technical standards makes it difficult for these to be implemented effectively.

11. **Ad paragraph 6: Do you agree with the Authority on the definition of passive infrastructure? If not, please provide an alternative definition.**

11.1 Yes.

12. **Ad paragraph 6: Please state other passive infrastructure that you consider essential for sharing.**

- Electricity;
- Containers, brick and mortar buildings; and
- Access control systems.

13. **Ad paragraph: 6: Please state the advantages and disadvantages of passive infrastructure sharing.**

13.1 Advantages:

- Reduce duplication of infrastructure;
- Quick deployment;
- Reduce Environmental Impact Assessment costs, and other costs in general;
- Reduce duplication of electrical power infrastructure;
- Reduce duplication of security requirements; and
- Will allow for backup and diversity.

13.2 Disadvantages:

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- Access control to sites requires more effort to manage.
- The control of the loading of masts and placement of antennas becomes critical.
- Control of upgrades without authority.
- Power capacity responsibilities.
- Responsibility for providing for power outages.
- Managing the power consumption of multiple users, and ensuring that it does not exceed the maximum allowable consumption for the site.

14. **Ad paragraph 6: Do you agree with the Authority on the definition of active infrastructure? If not, please provide an alternative definition.**

14.1 Yes.

15. **Ad paragraph 6: Please state other active infrastructure that you consider essential for sharing.**

15.1 Network management tools, software and hardware.

16. **Ad paragraph 6: Please state the advantages and disadvantages of active infrastructure sharing.**

16.1 Advantages:

- Reduce duplication of infrastructure;
- Increase the speed of deployment of infrastructure;
- Reduce the cost of infrastructure; and
- Allow for backup and diversity.

16.2 Disadvantages:

- Technical difficulties of segregating shared infrastructure.
- Introduces technical complexities in the management of shared infrastructure.
- Challenges of sharing frequency spectrum licensed to one entity.

16.3 Creates opportunity for bigger players to bully smaller prices with control over

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bandwidth and spectrum.

17. **Ad paragraph 7: Please provide examples of how active and passive infrastructure is being shared in South Africa.**

- Co-location;
- Lease of optic fibre cables (dark fibre);
- Lease of transmission circuits; and
- Sharing of electrical power.

Kind regards

Ndiphiwe Silinga

Group Executive: Legal and Compliance

Date: 11/11/2015

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