

SUMMARY OF ICASA'S PROPOSAL FOR LICENSING SPECTRUM IN 700 MHZ, 800 MHZ AND 2.6 GHZ

[Information Memorandum for radio frequency spectrum prospective licence to provide mobile broadband wireless access services for urban and rural areas using the complimentary bands, 700 MHz, 800 MHz and 2.6 GHz](#)

Introduction

There is a current assignment of 374 MHz used for IMT and 80 MHz for GSM, which ICASA wishes to increase by a minimum of 1011 MHz and a maximum of 1036 MHz for use by IMT (incl. GSM) by 2020 in order to achieve SA Connect Targets. This should be viewed as a proposal from ICASA which is subject to public input and pending the finalisation of spectrum policy by the Minister of Telecommunications and Postal Services.

There are no firm dates for assigning this frequency and the delays in the digital migration policy make it unclear when 700 MHz and 800 MHz spectrum will become available.

There is no indication as to reserve prices for the frequency being auctioned.

The ICASA Information Memorandum is vague in places and contradictory in others: please treat the below as informational and seek confirmation from ICASA directly.

Process

The process will start with ICASA issuing out an Invitation to Apply for the available licence. After the deadline for responding has passed, there will be a three stage process:

- **Qualification Stage:** Parties are invited to submit applications, in which they must state on which Lot Categories (Wholesale / Operator) they may wish to place Bids during the award process. The identities of all applicants will be announced. The Applications will then be assessed by ICASA, and Applicants who meet the requirements (set out in the ITA) will be qualified.
- **Auction Stage:** Qualified applicants (Bidders) will be requested to submit a Bid for the Lots that they would be prepared to acquire at Reserve Prices. The Auction Stage will take the form of a 'Simultaneous Multi-Round Ascending' (SMRA) auction (see, e.g. <http://www.acma.gov.au/theACMA/types-of-auctions#multi>). Applicants will be free to switch between Lots within the Lot Categories for which they are qualified to bid during the SMRA auction process. Applicants may only bid for one Lot (other than in respect of Lot A which is a separate process)
- **Licensing Stage:** Licences issued to winning Bidders, subject to the payment of the Auction Fee.

Spectrum to be assigned

The spectrum available for award is packaged into two (2) Lot Categories and six (6) Lots, each with a set of proposed licence conditions (see table overleaf):

Lot Category	Lot	Scope	700MHz	800Mhz	2.6GHz	Annual Spectrum Licence Fee	Obligations (see below)
Lot A (Wholesale Open Access)	A	National	2 x 20 MHz (703-723MHz/758-778MHz)			ZAR 27 000 000	<ul style="list-style-type: none"> Wholesale DTT BEE
Lots B/C/D/E/F (Operators)	B	National		2 x 9.305 MHz (791.695-801MHz/832.695-842MHz)	2 x 20 MHz (2500-2520MHz/2620-2640MHz)	ZAR 12 561 750 + 14 400 000 = ZAR 26 961 750	<ul style="list-style-type: none"> DTT BEE Coverage
	C	National		2 x 10 MHz (801-811MHz/842-842MHz)	2 x 20 MHz (2520-2540MHz/2640-2660MHz)	ZAR 13 500 000 + 14 400 000 = ZAR 27 900 000	<ul style="list-style-type: none"> DTT BEE Coverage
	D	National		2 x 10MHz 811-821MHz/852-862MHz)	2 x 20 MHz (2540-2560MHz-2660-2680MHz)	ZAR 13 500 000 + 14 400 000 = ZAR 27 900 000	<ul style="list-style-type: none"> DTT BEE Coverage
	E	National	2 x 10 MHz (723-733 MHz/778-788MHz)		2 x 10 MHz (2560-2570/2680-2690MHz)	ZAR 13 500 000 + 7 200 000 = ZAR 20 700 000	<ul style="list-style-type: none"> DTT BEE Coverage
	F	National			25 MHz (2595-2620Mhz)	ZAR 9 000 000	<ul style="list-style-type: none"> BEE

Obligations

	Applicable to Lot:	Obligation:
Wholesale	A	<ul style="list-style-type: none"> Provide wholesale open access services on the following basis: <ul style="list-style-type: none"> Non-discriminatory access; Transparency; Fair and reasonable pricing; and Cost-oriented with reasonable rate of return 3 Years of obligation holiday from paying radio frequency spectrum license fees with regard to the 700 MHz spectrum license (worth ZAR81 000 000 without factoring in license fee increases)
Coverage	B,C,D,E	<ul style="list-style-type: none"> Rollout 70% of the broadband network in the identified areas before rolling out in cities Coverage =provision of data services in the areas with an average downlink user throughput of 30 Mbit/s in the period from 07:00 to 20:00 Provide services to all identified underserved areas within three years from the date that the 700MHz/800MHz spectrum becomes available
DTT	A,B,C,D,E	<ul style="list-style-type: none"> Provide set-top boxes free of charge to households for Free To Air Terrestrial Television Service Cost to licensee offset against the auction price
BEE	A-F	<ul style="list-style-type: none"> Achieve BBBEE level 2 status within twenty four (24) months from date of issue of license OR Increase equality ownership by Historically Disadvantaged Persons (HDP) by three percent (3%) within 24 months from date of issue of licence