



Turning Africa dreams into reality

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ICASA

Information-memorandum-for-international- mobile-telecommunications-spectrum- assignment

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✧ Network Infrastructure Design ✧ Broadband Fibre & Fixed Wireless ✧ Enterprise Network ✧ ICT Infrastructure operations ✧ Cloud Solutions
✧ SaaS ✧ ICT infrastructure Support ✧ IoT, ✧ Cyber Security Operations ✧ Corporate Training ✧ Financial & Business Consultancy

Managing Director: Sive Gecelo | **Technical Director:** Tichaona Mashiri | **Financial Director:** Tonderai Mashiri

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Dominion Business Investments (Pty) Ltd T/A DBI response to ICASA Information Memorandum on the licensing of High Demand Spectrum

- AS DBI we would like to extend our gratitude and appreciation to ICASA for privilege to provide comments in response to the Information Memorandum (IM)

- General comments

- Details on who we are

- DBI is a young, vibrant and innovative ICT & Business Consultancy firm specializing in **Broadband and Enterprise Network Infrastructure, Cyber Security Operations, Internet of Things (IoT), Software Engineering, Cloud Solutions, Cyber Security Operations and Business and Financial Consultancy.**

- Structure and office representatives

DBI who is an ICT Chamber member organization in good standing is led by Miss Sive Gecelo who is the Managing Director and Mr Tichaona Mashiri who is the Technical Director

- Background on why an economically viable WOAN is required

- Affordable Broadband is a basic need to participate in the 4th Industrial Revolution. Recently, there has been an audible call to clarion for digital transformation with aspiration to become globally competitive in the 4IR arena and create economic value and jobs for South Africa. The nation seems to lose patience as highly anticipated ability to leverage 4IR to act as a catalyst for social and economic development has not bear any considerable benefit as indicated by digital rural urban divide, widening income gap and lack of tangible digital transformation.
- Statistics further indicates that about 80% of shareholding of MNO is owned and controlled by two dominant players and historically disadvantaged group forms a very insignificant proportion of population owning and fully economic benefiting. Lack of transformation in the MNO with no black population predominantly owning and managing MNO resulted in digital rural urban divide.

- The status quo of SA spectrum allocation is highly undesirable as it has created wide imbalances. As part of strategic management course, I did at university almost a decade ago, what I can remember vividly was the condition on which South Africa government issued operating license to Vodacom in 1993 was that Vodacom will focus on Telecommunications infrastructure in rural areas to ensure connectivity in rural and underserved areas. The government was very clear to the incumbent in terms of the condition of the license and because of only profit motive, the Operator and came with container model. Vodacom Container model result in almost every MNO following suit which slacked pace on infrastructure development regardless the fact that they became profitable in their first year of trading. There is a great reason to revise the spectrum allocation strategy and due to the current status quo, spectrum sharing is the highly desirable model that can lead to susceptible correction of social economic imbalances that are emanating from only a minority group having a full access and control of
- According to my opinion, it is at the best interest of ICASA and South Africa government to role its arms and tighten its belts to ensure that the much awaited WOAN which open room for entrance in the industry by allow new players to enter the market. This sharing model will increase number of suppliers of connectivity and expand the digital ecosystems. This will go a long way to exert equilibrium and lower the cost of data which can subsequently lead to income redistribution

I'm in full support of the policy direction that emphasizes the preferential treatment which must be given to a WOAN concerning the assignment of certain spectrum within the 700MHz, 800MHz and 2 600MHz bands. A WOAN is an ideal policy direction with the following anticipated benefits:

- ✓ At least 70% South Africans ownership to participate which will significantly assist in resolving problem of digital rural urban divide.
- ✓ Include a diversity of ownership to ensure the meaningful participation of all entities involved, including SMEs, and to prevent monopolistic behaviour creating an environment of economic growth with equity
- ✓ Promote inclusive growth with effective participation by targeted groups, including women, youth and persons with disabilities; and may include public entities as shareholders, provided that a WOAN may not be a public entity, under the Public Finance Management Act.

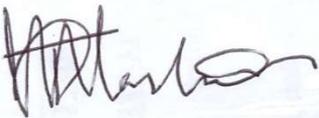
- Specific comments/questions
 - On 12 April 2006 a spectrum licence was granted to the SNO. The licence specified a point-to-point and point-to-multipoint system. It stipulated that the system shall be used for providing various telecommunication services, without specifying of what these services should consist. However, we submit that it is reasonable assumption that these were to be fixed services in view of the PSTS licence. The above licence included spectrum in the 3.4-3.6GHz band, which we will henceforth refer to as the 3.5 GHz band. In addition, in this licence, spectrum in various other frequency bands –from the 10GHz band to the 38 GHz band –were included. These bands were mainly for point to point links, more specifically microwave links. This spectrum licence became known as a “bulk licence” when ICASA, in later years, dealt with a licence conversion process required by the ECA. This “bulk” spectrum licence provided the SNO with various capabilities:
 - First spectrum allocation just before South Africa independence targeted operators that showed high investment potential and ability to build technical operational capacity to grow the industry for the benefit of the entire country. It is critically important to note that government issuing of spectrum licensing was very conditional favouring infrastructure development in rural and underserved areas. Unfortunately, time and observation has proven otherwise looking status quo. It is also sad that policy revision and remediation action. Technology has drastically evolved over the period and there has been significant change on social and economic imperative. The current proposed policy direction premised on WOAN comes at the right time whereby government must think outside the box and be innovative to create an enabling environment for competitiveness and inclusive growth.
 - Prior communications minister Nomvula Mokonyane said the Free State will switch off analogue broadcasts by no later than 31 December 2018, with the Northern Cape to follow by 31 March 2019. In other words, digital migration is way behind, and it is unclear when the process will start regardless the fact that the nation was given a deadline to implement the migration.
 - When will digital migration be completed and the 700 MHz and 800 MHz spectrum become available?
 - The South African ECS/ECNS market has total of 771 licensees and counting. Of these licensees in the market only 1% have universal service and access obligation with the objective closing the ICT gaps within the communities. The first 200 districts in the list have a combined average of internet, computers, telephone and cell phone at penetration rates of less than 30%, the lowest district has 12.7% average. The lowest internet access and availability in a district is 0.0% and highest is 12.5%.

Access to computers is lowest at 0.3% and the average for all districts is 15.6%. Contrary to common perception the average for the districts with regards to access and availability of mobile phone services is 72.7%. It is clear from the above that there are gaps within our communities regarding availability and accessibility to ICT's. The South African market has licensees providing services at district and national levels.

- On behalf of DBI and ICT chamber we agree with the proposal to require rural coverage before licensees are allowed to use the spectrum in urban areas
 - Option 4 is preferable WOAN option radio IMT800 the on matured already has devices mobile for ecosystem the that fact the given is This the to benefit immediate the ensures industry them to spectrum IMT800 the assigning band. frequency
- Conclusion
 - Our view as DBI is of the opinion that WOAN spectrum consistent policy direction is imminent and inevitable. Significant government and private sector financial support, policy monitoring and evaluation to ensure that the policy achieves its intended objectives is paramount. SMMEs and new investment players should be given adequate room to access WOAN spectrum and infrastructure sharing to allow innovation and competitiveness in digital ecosystems. Government and investors are highly encouraged to support SMMEs and historically disadvantaged groups beyond reasonable doubt to enable bridging of digital divide and create room for growth with equity.
 - Given the opportunity to come and present and travelling logistics being provided for me, I'm ready to come and present my IM comment

Yours sincerely,

Tichaona Mashiri



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