

NOTICE ON THE LICENSING PROCESS FOR INTERNATIONAL MOBILE TELECOMMUNICATIONS ("IMT") SPECTRUM, INVITING COMMENTS IN RESPECT OF THE PROVISIONING OF MOBILE BROADBAND WIRELESS OPEN ACCESS SERVICES FOR URBAN AND RURAL AREAS USING THE COMPLIMENTARY BANDS IMT1700, IMT800, IMT2300, IMT2600 AND IMT3500

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The Independent Communications Authority of South Africa (the Authority)
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Attention:

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Thank you for affording the Ramusi Group an opportunity to join many other interested parties from all walks of lives, especially the SMME community (which we are a key participant) in responding to the Information Memorandum of the Independent Communications Authority of South Africa (ICASA), "the Authority" dated 1 November 2019.

The Ramusi Group is a trusted South African investment holdings company providing transactional advisory leadership and own asset management in scalable high growth industries across the African continent. Our mission which is to invest in sustainable businesses that create value and have a

social impact ties in ICASA's recognition of achieving the need to promoting the empowerment of historically disadvantaged group ("HDGs") and increasing universal service through prioritizing rural connectivity and inclusivity.

We are therefore pleased to offer the below contributions and strategic suggestions to the high demand licensing process.

1. OVERVIEW : *contextual offerings to the Authority*

1.1 Access to Telecommunications, Broadcasting and Multiservice services

- 1.1.1 South Africa remains divided and unequal pertaining to services that are offered particularly with regards to access to telecommunications, broadcasting and multimedia products and applications;
- 1.1.2 Challenges on service offering are known – Authority must engage Municipalities and Royal Authorities in rural areas for an integrated plan that will engage various stakeholders and enable an innovative and robust environment;
- 1.1.3 Rural and underserved areas in South Africa still lag behind with regard to equal ICT access, inclusion, economic development, transformation, computer skills including and not limited to literacy and higher income; and
- 1.1.4 Access must not be deployed in a discriminatory manner to any member or section of society, including and not limited to persons with disability, youth, women, elderly, etc.

1.2 Provisioning of Electricity / or alternative Energy

- 1.2.1 Despite a notable increase of rural electrification, access to the national grid and consistency in supplying electricity remains a

key challenge in keeping the lights, base stations and other related elements on at all times.

1.3 Developing advanced economies in South Africa

- 1.3.1 It is a fact that developed economies have been found to be those that have facilitated deployment of commendable, cost effective and trusted ICT infrastructure, through agility, flexibility and acts that Ramusi Group expects to see in South Africa;
- 1.3.2 Reliable and affordable ICT infrastructure, must always be supported by agile and activity based policy and regulations;
- 1.3.3 The Authority must be reminded that ICT platforms provide a foundation for, and contribute to, development of all spheres of society.

1.4 Alignment to National Imperatives

- 1.4.1 High demand spectrum must never be viewed as an elevator of capacity only for incumbents, but should be made available to pave way for new entrants who have been marginalised in the same industry for years: barriers to entry being elements such as access to funding, geography, brand identity and customer switching costs etc.;
- 1.4.2 The outcomes and assessment of the state of the ICT Sector in SA report 2019, as published by the Authority, other initiatives such as, the SA Connect, World Bank reports, are self-explanatory. What is really required is action, through a specific, measurable, assignable, relevant and time-based (SMART) framework model.

2. Ramusi Group understands that the main aim of licensing IMT700, IMT800, IMT2300, IMT2600 and IMT3500 is to ensure nationwide broadband access for all citizens by 2020. It is therefore our submission and recommendation that the Authority should align the Ramusi Group Key Performance Indicators (KPI) as offered below to the licensing process of this important national asset.

2.1 Ramusi Group: Authority must specify the following thresholds for all participants in this opportunity: visible participation must be based on the following criteria which should also translate to service provider's ownership model in the ICT sector:

- 45% Youth (as defined)
- 10% Women
- 15% Person with Disability

Authority may want to consider other categories as promulgated and defined by National Department of Home Affairs, South Africa.

2.2 Increasing universal service and universal access through prioritising rural connectivity and inclusivity;

Ramusi Group's views:

- Authority must through an improved and realigned Monitoring and Evaluation/Programme Office in partnership with Engineering/Spectrum Management develop an infrastructure rollout plan, publish same with targets, and also find new ways of empowering locals to monitor and report on infrastructure gaps, as and when experienced; and
- Authority must develop a reporting portal (sponsored by licensees) for citizens and to advise all to post geographical coordinates of these areas.

This will be an additional way of developing an information society through collective participation.

2.3 Promoting the interest of consumers with regard to the price, quality and variety of electronic communications services; making provision for wireless open access network ("WOAN");

Ramusi Group: Authority should set aside an agile licensing model/framework that facilitates and dictates the delivery model of services to all, for example, allow free ONNET voice calls, zero rate interconnection rates in the underserved areas, and re-enforce monitoring and evaluation (M&E) by publishing quality and performance reports.

Ramusi Group is mindful of potential CAPEX required for the Authority to acquire such tools. We are of the view that licensees must contribute to the procurement of such tools. The future is still based on transparent operations and collective participation: it is part of the Fourth Industrial Revolution (4IR) framework.

2.4 Promoting investment in the sector and economic growth; encouraging infrastructure sharing;

Ramusi Group: Authority must urgently engage with entities such as, the Department of Trade and Industry, National Treasury, SARS to firstly align the manufacturing model of the ICT industry to this opportunity. As a rule, majority of the evaluation should be focused on local taste.

Investment

- Localisation : ensure that at least 90% of all elements required for the infrastructure are manufactured and acquired in South Africa for this opportunity.

- Infrastructure sharing
 - Encourage and enforce similar infrastructure standards and norms when designing and deploying such infrastructure to facilitate sharing. The same applies to all areas that require partnership and related.

2.5 Promoting competition and innovation by licensing spectrum on a technology neutral basis; and

Ramusi Group: Authority must allow downstream innovators space to participate on this opportunity through ring fenced funds that must be made available through the monies collected from the spectrum.

2.6 Reducing cost to communicate specifically data cost.

Ramusi Group: Authority should enforce zero rate for interconnection in underserved areas, free ONNET calls. Authority to enforce procurement of local technology and services including professional services.

3. SPECTRUM ALLOCATION MODEL *(aligned to section 5 of the ICASA IM)*

The Authority is encouraged to consider the following model.

- 3.1 Roll out the telecommunications network from the peripherals/edges of South Africa – inward construction of the network. From Bet Bridge to Sandton not vice versa
- 3.2 The Authority should engage with all licensees infrastructure planning teams to confirm norms and standards before the switch thus avoiding quality related issues
- 3.3 Authority must publish all available lower spectrum channels that are vacant in various locations of South Africa and ready for use.

Ramusi Group is of the view that the licensing could be done in phases.

3.4 Authority must review and intensify relationships with Municipalities and Royal Authorities to facilitate and speed among others site acquisition processes. Ramusi Group is of the view that the foundation of infrastructure roll out start/commence at local municipalities/wards level.

4. OBLIGATIONS *(aligned to section 6 of the ICASA IM)*

Working Principles:

- Authority must publish the coverage map (Fibre and Wireless/Mobile) as of 31 December 2019
 - o From the above, the Authority must share infrastructure gaps as identified;
- Authority to highlight Country needs as per the Municipality' IDPs and related;
- Authority to then share a priority areas as per all information in their disposal.

Ramusi Group is of the view that the following obligations must be enforced-

4.1 SA Connect framework must be reviewed and realigned back to this opportunity;

4.2 Interconnected government departments must be offered a zero rate based cost model;

4.3 All government facilities must be afforded free, managed and monitored connectivity;

4.4 All technology and services must be localised in order to minimise unknown costs

4.5 All licensees must jointly contribute to a skill set fund that is aimed at advancing local solutions as required with Government.

5. CONCLUSION AND RECOMMENDATIONS

In conclusion, the Ramusi Group is moving for the following licensing model:

1. SMMEs should remain the centre piece to this opportunity
2. The ITA must avoid enforcing the following exclusion clauses for SMMEs:
 - a. No applicant will be considered if you have no experience in managing or/and operating a similar network on offer;
 - b. No applicant will be considered if they do not have a network to prove experience and knowledge of having ran or managed a similar business;
 - c. No applicant will be offered the opportunity if you are not able to prove any amount to a tune of say, R100M available in your bank facilities or provide same as surety for the opportunity; and
 - d. No applicant will be considered if they are not in a joint venture with an established network provider.

Lastly, Ramusi Group is of the firm belief that socio-economic factors hold great influence over economic activity and in order to uplift society the Authority needs to take into cognizance the plight of SMMEs in the sector. By so doing, we believe that economic growth can be induced through the development of going concern entities that have the largest opportunity to create employment, upskill and safeguard sustainable connectivity access in communities.

We take this opportunity to thank the Authority for the opportunity to participate.

We are also available to come and deliver an oral presentation.



Yours sincerely

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