



RIGHT2KNOW

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The Right 2 Know

1. The Right2Know Campaign (R2K) is a nation-wide coalition of people and organizations concerned with promoting openness and the free flow of information, particularly the right to access information and freedom of expression.
2. R2K's campaign is coordinated through voluntary working groups in the Western Cape, Gauteng, KwaZulu-Natal, as well as an elected national working group consisting of representatives from key civil society organizations, community groups and social movements across the country.

3. R2K's vision is to seek a country and a world where we all have the right to know – that is to be free to access and to share information. This right is fundamental to any democracy that is open, accountable, participatory and responsive; able to deliver the social, economic and environmental justice we need. On this foundation, a society and an international community can be built in which we all live free from want, in equality and in dignity.
4. R2K thanks ICASA for the opportunity to make a written submission regarding the International Mobile Telecommunications Spectrum licensing process. Specifically on the factors and or principles that the Authority should consider in determining the reserve prices applicable to each LOT and on the factors and considerations that can inform the Authority's formulation of radio frequency spectrum.
5. The Process to spectrum licensing has been long and not without its faults and missing links however it is a step forward that at this point we are at licensing spectrum. The objectives outlined in the memo are in accordance with the democratic processes of South Africa and R2K is pleased with the apparent recognition in the document that the process has taken long.

4.1.18 Terrestrial Broadcasting migration Plan

There is a rather bigger challenge with the failure of seeing through the migration plan. If the migration process is activated and goes ahead, the process would leave free spectrum. The Right 2 Know campaign supports the idea that spectrum that has been sold off, especially to network providers, the proceeds should also be dedicated to funding the SABC and community media.

Selling the spectrum off to smaller network providers would also assist in creating greater competition with the two major network providers and give smaller companies leverage to keep their prices low and thus make the two larger network companies lower their charges too. We are pleased that the Authority has noted the failure to proceed with this plan even siting dates and years missed. We do trust that soon this will be rectified as mention this would be free up much needed spectrum.

Factors and Principles the Authority Should consider in determining the Reserve Price for Each LOT

1. Low Reserve Pricing-

South Africa is an extremely unequal society and in the era of the 4IR, the field needs to be leveled by creating equity. Therefore the reserve prices need to be in full recognition of the inequality in the country and not adopt an anti-poor pricing structure, this will encourage new entrants and new investments. An equity based reserve pricing structure that takes heavy consideration of the smaller networks and new entrants and tries to create access for all to benefit the disadvantaged will; encourage participation from all qualifying, avoid lots being un-sold resulting in a re-auction, avoids damaging economic efficiency.

2. Information transparency-

In a democratic country where information should be available to the public readily to drive independent and informed decision making the Right 2 Know finds Information transparency to be important. Transparency with information will aid all bidders to start on an equal footing and make decisions based on the same information. This will also combat corruption as all bidders will have the same information and it will avoid off the book bidding strategies. Information transparency allows for; greater auction efficiency, reduce common value uncertainty which leads to greater trust and vigorous bidding and meets equity needs in terms of information transparency.

3. Bids and outcomes are closely correlated-

Transparency of the auction process will be greater and bidders will have more confidence in the process. The Outcomes are less likely to be challenged leading to lengthy processes of checks and balances that involve cost, processes that may further delay the process of spectrum licensing.

4. All spectrum should be awarded at the national level
5. Prices in spectrum lots should be similar to allow for a general practice of fairness.
6. There should be certainty over prices paid and a preference for uniform prices if spectrum blocks are similar.

7. Spectrum should be awarded through a simultaneous, rather than a sequential, auction.

The factors and considerations that can inform the Authority's formulation of radio frequency spectrum Cap.

1. Minimizing Monopoly and profiteering by major networks-

Caps are important in avoiding the maintenance of the status quo, giving already influential and big networks further access to spectrum. This will help in disallowing smaller networks and network entrants from being excluded from bidding in certain LOTS it will give them an opportunity to bid and in perhaps all the bands without the bigger networks taking up space. This balance is very important in the ultimate access to internet services of South African consumers especially the poor as a south African survey by the competition commission on data costs of has already shown major networks have too much monopoly over the telecommunications industry, they are therefore overpricing poorer consumers with an 'anti-poor pricing structure'.

2. Allow network operators to prepare for limited spectrum-

There is not very much available spectrum to service providers and with much ground work being done to bring WOAN up to speed in terms of spectrum availability networks need to be prepared to operate efficiently with limited spectrum. This will prevent network providers from shifting blame to spectrum allocation when they are found to be over charging the poor on internet access specifically data costs.

3. Network Providers will apply fair pricing structures to consumers for data-

The competition commission inquiry on data costs found that the two dominating network providers in South Africa had an anti-poor pricing structure. This meant that they were over-charging small bundle consumer's i.e the poor. This has been largely attributed to the process on spectrum licensing being slow, the inquiry found that more could have been done by network providers to decrease prices. Spectrum Caps will push network providers to apply fair pricing methods without using spectrum limitations as a

scapegoat. It will push the network providers to charge consumers the same or closely related prices even if they are in different countries which was not the case.

4. Ensure a specific number of mobile operator is in each band-

This will give a chance for healthy competition to occur, it will also allow for mobile operators to have access in each band.

5. Allows for healthy competition and increase in returns-

Adequate spectrum Cap such as the spectrum cap method used in parts have Europe have allowed for healthy competition in which even smaller network providers had an equal chance to purchase spectrum. Increase in returns is very beneficial especially as suggested in this submission if the returns are reinvested into the country.

6. Spectrum efficiency-

Spectrum Cap has also proven in countries such as Thailand in the past that spectrum efficiency can be achieved which should be amongst the primary goals of spectrum licensing.

Spectrum allowing for 5G Technology (IMT2300 &IMT3500)

There should be a serious attempt at giving smaller and networks an opportunity to access IMT2300 and IMT 3500. This will aid in limiting profiteering and further monopoly by the larger networks. The spectrum auction, which is set to take place, means operators that are successful in securing access to the 3.5GHz band should be able to roll out 5G services, including 5G handsets, to consumers in 2020. This already sets more financially able service providers especially network providers at an advantage, we already have MTN rolling out 5G technology together with Huawei, specifically with the 3.5GHz band which allows for 5G to be possible MTN is already in the lead this again leaves the same issue of potentially excluding smaller networks from accessing the band to provide 5G benefits to its consumers. This will then still leave mega networks like MTN and perhaps following in tow soon Vodacom, dominating the telecommunications industry. This will be highly disadvantageous in the efforts of decreasing data costs as these mega network providers will not be pressured to decrease their costs. Already Vodacom and MTN have confirmed that they are ready to deploy 5G but have complained that they need more spectrum, it is already clear where the issue is and who is ready to purchase additional spectrum to roll out 5G. The Authority must consider the above cited reality in licensing IMT2300 and IMT2500, there should be an opportunity to give networks equal footing and not make the richer rich.

Conclusion

The Right 2 Know Campaign is pleased with the direction of the spectrum licensing process currently. We feel it is a great success that finally the process has been taken seriously enough to get to this stage. It is however of great concern that as the document cited the digital migration process that is meant to happen in South Africa to allow for more spectrum availability is very

behind with even international community doubting the country. In order to have an equality based spectrum accessibility structure the process needs to begin. It is vital to uphold our democratic values based on equality in all spheres of access in the country. There must be an approach that focuses on rectifying inequality and therefore the Authority should not ignore the struggles of the poor in considering spectrum licensing as this will affect the poor negatively. South Africa as mentioned before in this submission as a majority poor population therefore every industry in the country should be geared toward shifting this reality and giving access. It is important that the profiteering structure is adjusted majorly if we are to give access to all in the 4IR. Technology should be in the hands of all. Equally it is important as we emphasized that the proceeds from this sale be invested back into the industry such as saving the SABC and funding community radio which has remained highly affected by the lack of spectrum and funding.

The Right 2 Know support the Obligations cited for WOAN and Bidders, we believe they are fair obligations that will make for a fair process. The Obligations are also achievable within the 3 year period given to those that eventually purchase spectrum. We are also pleased to note the continued emphasize on WOAN which we believe is important in this technological age where there is a battle to bring access to all. We also fully support the reward process of the spectrum agency and urge the Authority to make all stages transparent and public on all platforms. As cited earlier information transparency is vital in this process.