

## Dumisani Khumalo

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**From:** Peter Mailula  
**Sent:** Tuesday, 05 May 2020 8:05 AM  
**To:** HDP Committee  
**Subject:** FW: Notice 91 of 2020 - Equity ownership by historically disadvantaged groups

Good morning

Kindly find e-mail submission from Atomic Access for your consideration.

Kind regards,

Peter

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**From:** Nicholas Soper [mailto:nick@atomicaccess.co.za]  
**Sent:** Monday, 04 May 2020 11:47 AM  
**To:** Peter Mailula <PMailula@icasa.org.za>  
**Cc:** Fikile Hlongwane <FHlongwane@icasa.org.za>; Dominic Cull <dominic@ellipsis.co.za>; Ant Brooks <ant@ff.co.za>  
**Subject:** Notice 91 of 2020 - Equity ownership by historically disadvantaged groups

Dear Peter

Please find our comments on draft regulations in respect of the limitations of control and equity ownership by historically disadvantaged groups, ICASA notice 91 of 2020.

This is a challenging time, our country is in a state of disaster, and our company is seeing customers cancel their services because of economic hardship. We strongly suggest that ICASA delay this process, but we have gathered a few ideas and we'd like you to consider these.

Our comments focus on three areas: a healthy market, small business and the need to regulate in order to keep a fair and level playing field.

**1. A healthy and competitive market:** We understand that markets should be open and competitive as this best serves the end subscribers in our industry. The market we operate in is highly competitive, with low profit margins. There are more than 60 other ISPs that compete with our company. Nothing prevents other (small) businesses from entering the market and competing with us and the other Service Providers.

**2. Small business:** We operate a very small business. We only employ one person, and our company is less than three years old. We strongly feel that small business should be excluded from this kind of regulation.

**3. Regulation to keep markets level and fair:** We understand that government needs to regulate business when a business uses a scarce national resource (like GSM spectrum). The only thing that makes our small business different from most other small businesses in South Africa is that we have Class ECS licence, this is not a scarce resource. ICASA could issue these to many more small businesses at low cost. We believe that the segment of the market in which we operate is already level and fair, and we do not see a need for the regulator to intervene. Our company is a member of the ISPA and we believe self regulation has worked very well for our industry to date.

We understand that the telecoms sector can benefit from representation from all races and genders, but we do not support the changes in ownership which the new draft regulations propose.

If ICASA and government would like to increase diversity of race and gender we believe government should invest in training and education programmes and create more opportunities for new businesses to be created, while keeping

the market open and fair.

In closing, the internet services industry in South Africa is a young, dynamic and competitive industry, which only started after the 1994 election. We strongly believe that race has not, and should not matter in our industry, and that no rules or regulations should be created based on race or gender.

We have other comments and suggestions, but because of the state of disaster we currently find ourselves in, we ask that ICASA delay this process to give more companies like ours time to better prepare a response.

Please confirm receipt.

All the best

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Nicholas Soper  
Co-Founder and MD



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