

**Attention:** Mr Ndumiso Dana

**Email:** ndana@ICASA.org.za

**8 January 2020**

Dear Mr Dana

**PRIMEDIA: FORMAL RESPONSES TO THE DRAFT DIGITAL SOUND BROADCASTING SERVICES REGULATIONS**

**1. INTRODUCTION**

- 1.1. Primedia (Pty) Ltd (Primedia) holds four individual commercial sound broadcasting service licences and makes the following submission in response to the Draft Digital Sound Broadcasting Service's (the Draft Regulations) contained in Notice 639 published in Government Gazette No. 43900 dated 13 November 2020, the submission date for which was extended by Notice 721 published in Government Gazette No. 44000 dated 15 December 2020 to 8 January 2021.
- 1.2. Primedia thanks the Authority for the opportunity of providing it with these submissions and formally requests the opportunity to participate at its oral hearings in relation to the Draft Regulations in due course.
- 1.3. In this submission, Primedia wishes to confine its submissions to a single critical issue – the suggestion that there will be a switch-off of analogue sound broadcasting services currently provided on FM or AM.

**2. POLICY BACKGROUND**

- 2.1. As ICASA is aware, the migration from analogue to digital terrestrial television (DTT), is running decades late



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PRIMEDIA PROPRIETARY LIMITED (Reg. No. 2005/044403/07) **EXECUTIVE DIRECTORS:** CJ Patricios  
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**DIVISIONAL EXECUTIVE:** Tazne Saunders (CFO)

- 2.2. The International Telecommunications Union (ITU) determined 17 June 2015 as the deadline for the switch-off of analogue terrestrial television for Region 1, the region into which South Africa falls.
- 2.3. However, as ICASA is also aware, DTT is not a reality for the vast majority of South African television viewers and the South African dual illumination period began only on 1 February 2016 and while the then-Minister of Communications had promised that analogue terrestrial television signals would be switched off in July 2020<sup>1</sup>, it is now 2021 and there is still no date in sight for analogue terrestrial television switch-off in South Africa, five and a half years after the ITU-imposed deadline.
- 2.4. Digital Sound broadcasting (DSB) is very different to DTT and the ITU as well as the general global experience, from a technical, economic, policy and regulatory point of view, is that different imperatives animate analogue terrestrial sound.
- 2.5. This has been recognised not only by our Department of Communications and Digital Technologies (DOCTD) but also by ICASA itself. In this regard:
- 2.5.1. in Notice 164 published in Government Gazette No. 42337 dated 29 March 2019 ICASA published its Finding Document and Position Paper on the Use of Digital Sound Broadcasting in South Africa (the DSB Position Paper); and
- 2.5.2. in Notice 759 published in Government Gazette No. 43514 dated 10 July 2020 the DOCDT published its Policy Direction on the Introduction of Digital Sound Broadcasting in South Africa Finding Document and Position Paper on the Use of Digital Sound Broadcasting in South Africa (the DSB Policy Direction).

### **3. AD SECTION 4(2) and 4(5) OF THE DRAFT REGULATIONS**

- 3.1. Section 4(2) of the Draft Regulations provides that “*On a date to be determined by the authority and published in the government Gazette, the existing sound broadcasting service licensees will be granted an option to simulcast their existing sound broadcasting programme(s) on analogue and digital platforms until the switch off date to be determined by the Minister.* (emphasis added).

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<sup>1</sup> <https://www.sanews.gov.za/south-africa/analogue-switch-2020-says-minister> [accessed 6 January 2021]

- 3.2. Section 4(5) of the Draft Regulations provides: “*The switch off date for analogue sound broadcasting services will be published by the Minister in the Government Gazette.*” (emphasis added).
- 3.3. Primedia is concerned at ICASA’s statement that there will, as a matter of fact, be an analogue terrestrial sound switch-off date as determined by the Minister.
- 3.4. The DSB Policy Direction makes no mention of an analogue switch-off in respect of sound broadcasting services. This is probably because the ITU itself has not prescribed that switch-off of analogue sound broadcasting services is mandatory or even required.
- 3.5. Further, in its DSB Position Paper, ICASA took the formal policy positions that:
- 3.5.1. “[i]t will not be necessary for a total analogue switch-off for various reasons such as, the availability of digital receivers and the costs thereof. Further, international trends reveal that analogue can co-exist with digital services until there is enough up-take of receivers.” – at 6.6.3.2;
- 3.5.2. “DSB is a complimentary service to analogue AM and FM services, and that there will not be a switch-off of same, the Authority notes that the decision to switch-off analogue sound broadcasting vests with the policymaker by way of publication in a government Gazette. This decision is therefore not within the remit of the Authority” – at 6.6.3.3.
- 3.6. Primedia is of the respectful opinion that any discussion of an analogue terrestrial sound broadcasting switch-off date is inappropriately premature and is not in accordance with international best practice and South Africa’s own adopted policies in this regard. Indeed, Primedia is of the respectful view that it is likely that analogue terrestrial sound broadcasting spectrum may not and should not be switched-off for decades, if ever.
- 3.7. Primedia is concerned that the statement by ICASA anticipating dual illumination or simulcasting by existing sound broadcasting services (whether AM or FM) until a Ministerial switch-off date, appears to envisage the kind of dual illumination period necessary to facilitate the introduction of DTT. This is inappropriate in the sound broadcasting services context.

- 3.8. The experience of DTT dual illumination is that countries have undertaken this for relatively short periods of a few years. Further, many countries have subsidised DTT dual illumination costs in order to facilitate the switch off of analogue terrestrial television so as to free up valuable spectrum that can be used for the provision of mobile broadband. However, it is clear from the provisions of the Draft Regulations that the costs of dual illumination for sound broadcasting services are to be borne by the broadcasters themselves.
- 3.9. Broadcasting signal distribution costs are amongst the largest cost centres for commercial broadcasting services. Without getting into detail, Primedia's signal distribution costs run into millions of Rands annually. Sentech Limited (Sentech), Primedia's broadcasting signal distribution provider, has provided Primedia with estimated costs of dual illumination in respect of all four of its sound broadcasting services. The bottom line is that dual illumination would more than double Primedia's signal distribution costs.
- 3.10. Coming in the middle of a resurgence of the Pandemic, the country's economic situation is dire, and these difficulties are being felt in every sector, including the broadcasting sector. Primedia notes recent public pronouncements by, among others, the SABC<sup>2</sup> and the community broadcasting sector<sup>3</sup> that existing signal distribution costs are unaffordable for these broadcasters. And if, as is the case for Primedia, dual illumination would double these costs for every broadcaster across all three tiers of broadcasting: public, commercial and community, dual illumination is, quite simply, not an option at this time.
- 3.11. This is particularly so in an environment when South Africa's policy and regulatory process are so far behind the technology curve. As ICASA is no doubt aware, digital sound broadcasting-like services are being undertaken in South Africa, including by many if not all licensed sound broadcasters in the country. However, this is being done by way of podcasts or streaming services online rather than via DSB.
- 3.12. While the DSB Policy Direction refers to DRM, DRM+ and DAB+ DSB standards<sup>4</sup>, it also directed ICASA to formally adopt these and, importantly, it directed ICASA to "[e]ncourage market availability and use of multi-standard receivers to allow for the

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<sup>2</sup> <https://www.moneyweb.co.za/news/companies-and-deals/we-cannot-afford-your-services-anymore-sabc-tells-sentech/> [Accessed 6 January 2020]

<sup>3</sup> <https://pmg.org.za/committee-meeting/29780/> [Accessed 6 January 2021]

<sup>4</sup> See section 2.1.7 thereof.

continued use of analogue FM alongside the variance of the digital technologies, DAB and DRM<sup>5</sup>. Unfortunately, there is very little evidence of this. In this regard:

- 3.12.1. DSB receivers for home use are extremely expensive relative to analogue receivers and are not readily available or manufactured, currently, in South Africa. The costs (currently thousands of Rands) of these means that there will not be significant take up by a population that has been battered by the economic impacts of the Pandemic;
- 3.12.2. irrespective of pricing, DSB receivers for home use are not readily available in stores. They may be available online but are not readily purchasable in standard electronics retail outlets in the country;
- 3.12.3. BRC-related research<sup>6</sup> reflects that the drive times (that is when people are in their cars travelling to and from work) are the most popular times for people to listen to sound broadcasting services. Consequently, being able to access DSB in their vehicles, would be essential to the rollout of DSB in South Africa. However:
  - 3.12.3.1. as far as Primedia is aware, only luxury car manufacturers such as BMW, have a DSB-enabled receiver fitted into their cars, and this receiver enables the playing of DAB only and not DRM+; and
  - 3.12.3.2. again, car-sound technology appears to have over-taken regulatory events as many cars, even entry-level ones, in brands such as Ford, VW, Toyota and others, now offer streaming connections such as Apple CarPlay<sup>7</sup> and Android Auto<sup>8</sup> as standard features in their vehicles.
- 3.13. The bottom line, as many market commentators have already noted, it appears that DSB (whether DAB or DRM) is a technology that has been leapfrogged by streaming and other online services, such as podcasts, and is no longer the digital audio technology of the future<sup>9</sup>. Indeed, three years ago now, the BBC shelved its long-held plans to switch-off its FM services in favour of DAB<sup>10</sup>. Further, Norway - the only country to have switched-off

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<sup>5</sup> At section 2.1.6.

<sup>6</sup> <https://brcsa.org.za/#radio> [Accessed 6 January 2021]

<sup>7</sup> <https://www.apple.com/ios/carplay/> [Accessed 6 January 2021]

<sup>8</sup> <https://www.android.com/auto/> [Accessed 6 January 2021]

<sup>9</sup> <https://theconversation.com/dab-radio-was-the-future-until-live-streaming-and-podcasts-arrived-95250> [Accessed 6 January 2020]

<sup>10</sup> <https://www.dailymail.co.uk/news/article-5514415/BBC-scraps-plans-turn-FM-radio.html> [Accessed 6 January 2020]

its analogue sound broadcasting services - has not been viewed as a success story with radio audiences having failed to recover the levels, they had been at for analogue sound broadcasting<sup>11</sup>.

- 3.14. While Primedia participated in the successful Sentech-led DAB trials in South Africa and is satisfied that the DAB technology works in principle, it is not at all convinced that DAB (or any other DSB standard) will be adopted as a practical matter by the public or by the manufacturers of home/car receiver devices with sufficient enthusiasm to warrant broadcasters making their existing FM or AM services available on DRM and/or DAB at significantly increased broadcasting signal distribution costs during a dual illumination period at this time.

#### **4. THE WAY FORWARD**

- 4.1 Primedia acknowledges that DSB requires an enabling environment if it is to have any hope of being introduced successfully in South Africa. It recognises, further, that many aspects of the Draft Regulations are conducive to the introduction of DAB and DRM services in South Africa and for that reason it welcomes them. However, Primedia is of the view that market forces are such that it seems possible, if not likely, that DSB may have already been overtaken by online audio services. For this reason, it is imperative that the final DSB regulations to be prescribed by ICASA make no mention, in line with the country's and the ITU's policy positions, of the switch-off of analogue sound broadcasting services. This will all broadcasters to provide services, whether digital or analogue, in accordance with audience needs and demands and to respond appropriately to the availability of new technologies. The future viability of sound broadcasting services is at stake and it is imperative that ICASA not regulate in a way, albeit inadvertently, that undermines radio as a broadcast medium.
- 4.2 Primedia thanks the Authority for the opportunity of making these submissions. Please do not hesitate to contact the writer should you have any queries.

**Yours Faithfully**

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<sup>11</sup> <http://www.strategies.nzl.com/industry-comment/dab-in-norway-will-listeners-return/> [Accessed 6 January 2020]