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Reg. No.: 1999/007722/06

16 February 2026

Mr Peter Mailula
Project Manager
ICASA
350 Witch-Hazel Avenue
Eco Point Office Park
Centurion

Per Email: iecns-inquiry@icasa.org.za
chairperson@icasa.org.za
pmailula@icasa.org.za

Dear Mr Mailula

RE: NOTICE OF INTENTION TO CONDUCT AN INQUIRY INTO NEW INDIVIDUAL ELECTRONIC COMMUNICATIONS NETWORK SERVICE LICENCES

1. We wish to thank ICASA for the opportunity to provide written responses to the questions as contained in the inquiry document considering the introduction of new Individual Electronic Communications Network Service licences ("I-ECNS licences") in terms of section 4B (2) of the Independent Communications Authority of South Africa Act, 2000 (Act No. 13 of 2000) ("ICASA Act") as published in *Government Gazette 53719,* dated 25 November 2025.

2. Cell C supports this inquiry which aims to determine the need for new I-ECNS licenses based on evidential input in support of new network infrastructure competition using both terrestrial and non-terrestrial technical platforms.

3. Cell C understands that this regulatory process is the first phase of four phases:

   3.1 Phase 1 (Commencement of the Inquiry).

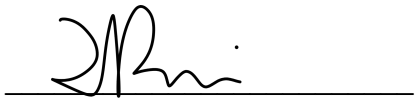
3.2 Phase 2 (Discussion document).

3.3 Phase 3 (Public hearings on the discussion document).

3.4 Phase 4 (Findings document).

Cell C wishes to make an oral submission when the public hearings are convened.

Yours sincerely



Mr Themba Phiri

Managing Executive: Regulatory and Policy Affairs

CELL C RESPONSES TO QUESTIONS AS CONTAINED IN THE ICASA INQUIRY DOCUMENT

CONTENTS

1. INTRODUCTION

1.1 Cell C would like to thank ICASA for the opportunity to present this written response, and it requests the opportunity to both elaborate on them as well as to raise further points via oral submissions when public hearings are convened.

1.2 Cell C commends ICASA for initiating a structured, evidence-based assessment of the licensing framework for Individual Electronic Communications Network Service (I-ECNS) licences.

1.3 This Inquiry comes at an important moment. The telecommunications sector is evolving rapidly, with new technologies, new forms of infrastructure, and new business models emerging across the world. South Africa's licensing framework, like many others around the world is struggling to keep pace. As a result, the market faces uncertainty, investment hesitancy and structural challenges that limit the ability of both existing operators and potential new entrants to compete effectively.

1.4 In its submissions, Cell C respectfully tables the view that the central question for this Inquiry is not simply whether new licences should be issued, but whether the current framework is capable of supporting competitive entry at all. The evidence before ICASA shows that fragmentation, regulatory opacity, information asymmetry and structural bottlenecks have made it difficult for new providers to enter, innovate or scale. These issues already plague the license transfer market and should be addressed before any licensing expansion can deliver meaningful benefit.

1.5 This Inquiry therefore presents an opportunity to strengthen the licensing regime by:

- clarifying the operation of section 5(6);
- improving transparency in the transfer and control-change process under section 13;
- ensuring accurate public registers of licence ownership to prevent hoarding and resultant price escalation;
- addressing the competition issues identified by the Competition Commission in its Data Services Market Inquiry.

1.6 Only once the above issues have been resolved can, in Cell C's respectful view, ICASA reliably assess the demand for new licences and the extent to which such licences would support investment, innovation and universal access.

1.7 Cell C supports the aim of enabling greater infrastructure-based competition, including through non-terrestrial and next-generation technologies. However, issuing new licences into an unresolved regulatory environment may entrench existing competition concerns, increase market instability and undermine consumer welfare. A sequenced, evidence-driven approach which begins with structural reform, will create a stable basis for assessing whether new I-ECNS licensees are needed and how they can be integrated in a technology-neutral manner.

1.8 Cell C submits this response with the intent to support a licensing framework that is predictable, transparent, and that promotes innovation.

2. SPECIFIC COMMENTS TO INQUIRY QUESTIONS

Organisation	**Cell C**
Name and surname	**Mr Themba Phiri**
Position	**Managing Executive: Regulatory and Policy Affairs**
Contact details (telephone number and e-mail address)	Themba.phiri@cellc.co.za [redacted]

SECTION 1: TRANSFER OF INDIVIDUAL I-ECNS AND I-ECS LICENCES FRAMEWORK

Question 1.1: *What are your views on the current licensing framework in relation to the sale and transfer of I-ECNS and I-ECS licences (section 13 of the ECA)? In particular, does the current licensing framework hinder or promote competition? In providing your response, please provide reasons supported by evidence or case studies, where applicable.*

Cell C Response:

Overview of Cell C's response:

Cell C submits that the central problem in the current licensing framework is ICASA's narrow interpretation of section 5(6), which has led it to believe that it cannot consider new IECNS applications without a new, explicit ministerial policy direction. This misunderstanding has produced regulatory uncertainty, reinforced barriers to entry, and contributed to an over-reliance on the licence-transfer market. These barriers are compounded by broader structural challenges identified by the Competition Commission, including limited spectrum access, constrained facilities access and supply-side obstacles. Network infrastructure remains essential to South Africa's economy, yet operators carry heavy financial burdens arising from spectrum auctions and long-term debt, which ultimately harms affordability for consumers. At the same time, regulatory processes such as spectrum licensing and control-transfer approvals lack transparency and clarity, while the rules for obtaining an IECNS licence remain vague. Together, these conditions make market entry unnecessarily difficult for new infrastructure providers and underscore the need for a clearer, more predictable licensing framework.

For these reasons, Cell C does not believe that issuing a new, express policy direction on IECNS licensing will resolve the underlying problems in the framework. The true obstacles lie in the broader structural and regulatory environment:

- Spectrum access remains constrained.
- Facilities access is uneven.
- Supply-side conditions limit effective infrastructure competition.
- Operators bear heavy financial burdens from spectrum auctions, licence and universal obligation fees that push up consumer costs.
- Opaque regulatory processes and unclear licensing rules make it difficult for new infrastructure providers to enter the market.

Cell C's respectful position is that unless these systemic issues are addressed, merely issuing an explicit policy direction for the issuance of new licences will not create the transparent, predictable and enabling environment that meaningful competition requires.

Reasoning for Cell C's response:

ICASA's Inquiry Notice indicates that ICASA believes that it cannot consider new IECNS applications unless and until the Minister issues a further, explicit policy direction. The Notice states that ICASA will only decide on licensing after completing the inquiry and submitting a report "to enable the Minister to consider whether or not to issue a further policy direction" under section 3 read with section 5(6). This indicates that ICASA treats the current policies as insufficient, and sees itself bound to wait for a new, express instruction.

Cell C's respectful view is that this interpretation is too narrow. Section 5(6) requires only that a policy direction be issued under section 3. It does not require that the direction expressly mention IECNS licensing. Section 3 gives the Minister broad authority to issue any policy necessary for the application of the Act, including policies that relate to infrastructure investment, universal access, or competition. Any of those policies may, by implication require ICASA to initiate licensing steps where licensing is necessary to give effect to those policies. Cell C respectfully submits that ICASA is, in law, less constrained by the operation of section 5(6) read with section 3 of the ECA than is presently believed.

In Cell C's view, the present understanding of the statutory framework does not reflect the intention of the Act. The ECA deliberately separates the roles of the Minister and ICASA. The Minister sets national policy under section 3, and ICASA gives effect to that policy through the licensing system under Chapter 3. This structure ensures that national policy is made by the Executive, while the implementation of that policy remains with an independent regulator. It is a design that preserves separation of powers and prevents either actor from overreaching. Nothing in section 5(6) suggests that Parliament intended to disrupt that balance by requiring the Minister to issue licence-specific instructions before ICASA may exercise its licensing powers.

The Act requires only that licensing decisions be taken "in terms of" a policy direction issued under section 3. Once such a policy direction exists (whether it concerns strategic ICT infrastructure investment, universal access, or competitive outcomes) ICASA's responsibility is to interpret and implement that policy. If the policy cannot be realised without new IECNS licences, then licensing action follows as a matter of statutory logic. The Act is already capable of operating in this way, and there is no reason in principle or text why ICASA should limit itself to policy directions that expressly mention IECNS licensing.

This interpretation also aligns with Cell C's broader concerns about clarity, transparency and barriers to infrastructure competition dealt with below. As Cell C explains, the current framework has become

uncertain and difficult for new entrants to navigate, partly because ICASA has adopted an unduly restrictive view of when it may exercise its licensing powers. A proper reading of section 5(6), consistent with the purpose of section 3, would reduce this uncertainty. It would allow ICASA to respond to existing policy directions without unnecessary delay and would support a more open, predictable licensing environment—one in which infrastructure providers can enter the market on clear terms, and competition can develop in line with the Minister's stated national policy objectives.

These legal uncertainties are not abstract. They feed directly into the structural challenges that continue to shape competition in the electronic communications sector. As the Competition Commission's market inquiry has shown, weaknesses in the regulatory framework, including unclear licensing pathways, interact with broader infrastructure competition, investment pressures and national roaming for operators without their own networks. The Competition Commission conducted an extensive market inquiry into the affordability of the data services market in 2019, and made specific findings regarding the regulation of ICT infrastructure interventions to address market competition. The Commission found that:

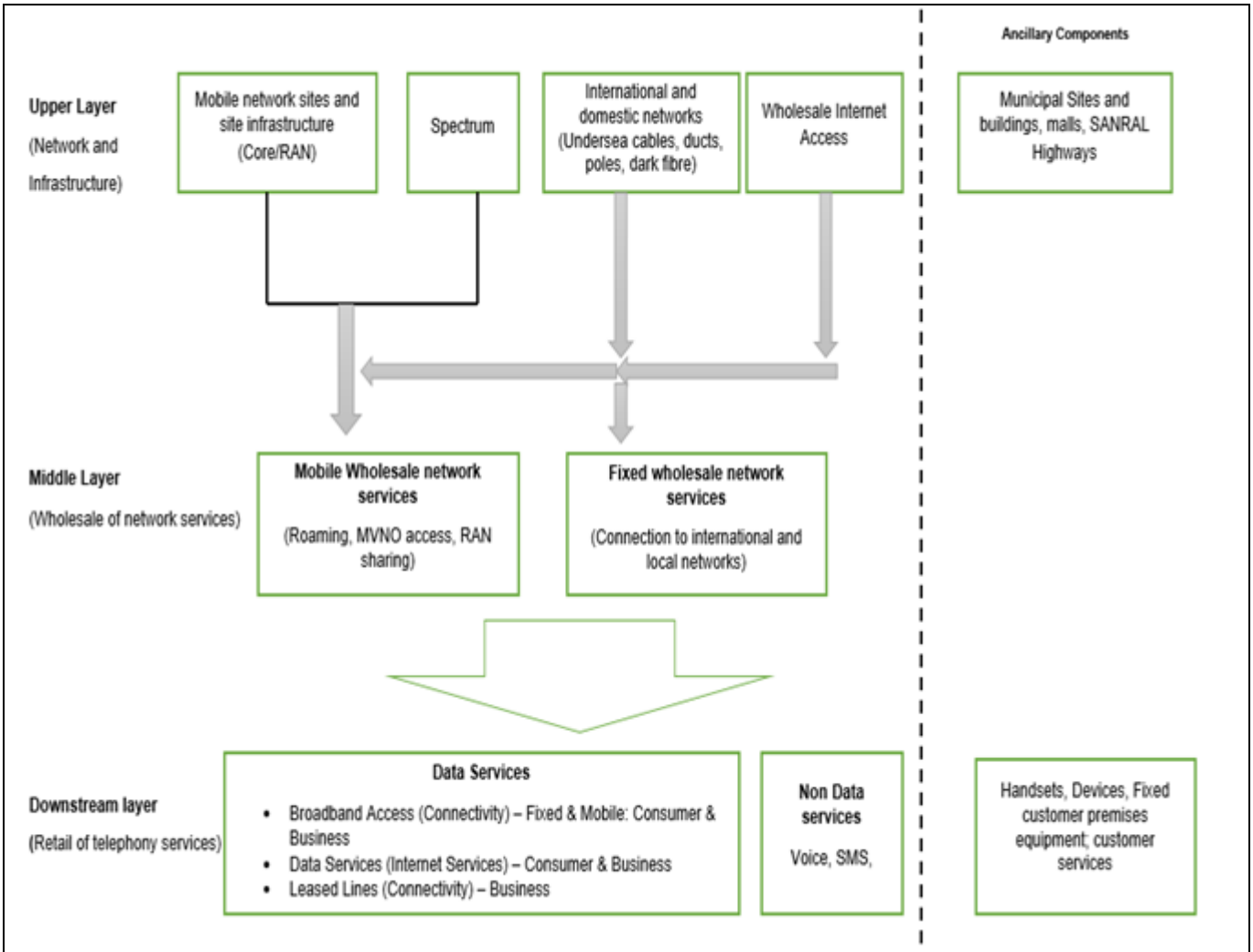
- operators have achieved very high population coverage. Vodacom and MTN covered "almost 100% of the population" on 2G and 3G in 2018, and 4G coverage reached "85%" for Vodacom and "95%" for MTN.

- despite these investments, infrastructure competition is still limited. It identified "cost drivers – spectrum and facilities access issues" as key constraints.

- national roaming is essential for operators without full networks. Cell C and Telkom "acquire roaming services from larger operators such as Vodacom and MTN at wholesale terms," and roaming is necessary to achieve national coverage.

- these roaming agreements have "historically been one-sided in favour of the incumbent operators." They included high minimum payments, high marginal rates, and weaker quality of service. The Inquiry concluded that even the newer agreements remain "generally unfavourable to the challenger networks".

- delays in assigning high-demand spectrum have raised costs for all operators. Because spectrum was not released, operators had to "increase the volume of base stations," which raised both capital and operational costs



Beyond the DSMI's findings, Cell C also identifies further structural barriers that impact the proper competitive functioning of the current licensing framework:

- First, Cell C notes that spectrum policy and the method of assignment impose long-term financial pressure on operators. Spectrum is typically acquired through large upfront payments financed by debt or backed by guarantees and followed by payments under a prescribed Administrative Incentive Pricing model. These obligations can extend for many years. In Cell C's view, this undermines investment capacity and slows network expansion. High debt servicing costs also place upward pressure on retail prices, limiting affordability for consumers.

- Second, Cell C highlights that South Africa lacks clear, modern rules for spectrum sharing and advanced spectrum-management models. Cell C considers efficient sharing essential for lowering costs, improving spectrum utilisation and supporting new entrants. In Cell C's view, uncertainty around sharing frameworks discourages collaboration between operators and increases the cost of service provision.

- Third, Cell C notes that regulatory processes outside the ECA licensing framework remain opaque. This includes uncertainty in spectrum-licensing procedures and unclear requirements for approvals of changes in control or ownership.

- Fourth, Cell C also notes that the licensing framework for IECNS providers is itself unclear. Even if ICASA were willing to consider new applications, the Act provides little practical guidance on how prospective entrants should navigate the process. Because ICASA has taken the view that no applications can be processed without an express policy direction, these uncertainties remain unresolved. In Cell C's view, the combination of vague licensing criteria and ICASA's restrictive interpretation of section 5(6) creates a closed system in which no new entrant can realistically plan, prepare or invest. This reinforces reliance on licence transfers and contributes to the wider barriers to entry described above.
-
- Fifth, Cell C is concerned that the current processes for transfer, sale and control-change of licences are unclear and unpredictable. These are the mechanisms operators actually rely on, particularly in a market where no new IECNS licences can be issued. Cell C's view is that these processes must be clarified, modernised and made transparent before any decision is taken about expanding the licensing framework. Fixing these systemic issues is essential to creating certainty for investors and reducing barriers to entry.

Question 1.2: *In your view, should ICASA intervene in the current sale and transfer market to facilitate the purchase of existing licences? If yes, to what extent should ICASA intervene? Please motivate your response by providing reasons and any supporting evidence or data.*

Cell C Response:

Cell C's respectful view is that the ICASA needn't "*intervene in the [...] market*". The market does not require intervention. Cell C's respectful view is the market requires and will greatly benefit from regulatory certainty. ICASA should consider developing and clarifying the existing regulatory framework that governs the approval of licence sales, transfers and changes of control. This framework already exists in section 13 of the Electronic Communications Act, 2005 ("ECA"). What is missing is transparency, predictability and clear procedural guidance.

Section 13(1) prohibits the transfer of an individual licence, or the transfer of control of such a licence, without the prior written permission of ICASA. Section 13(2) requires licensees to apply for this permission "in the prescribed manner." The "prescribed manner" is set out in the Individual Licence Processes and Procedures Regulations, 2010, as amended. Regulation 11 deals with transfer or transfer of control of an individual licence.

Regulation 11(2) provides that ICASA may, "if necessary as a matter of procedural fairness," publish a notice, invite comments, allow replies, or hold hearings. These steps are not mandatory. They are discretionary. Applicants therefore cannot predict whether an application will be published, whether there will be public engagement, or whether additional information will be required. Each decision depends solely on ICASA's discretion, and ICASA does not publish criteria for exercising that discretion.

Regulation 11(4) lists three broad criteria for assessing a transfer:

- promotion of competition.
- interests of consumers.
- HDG equity ownership.

These are legitimate objectives, but they are high-level principles. ICASA provides no guidance on how it interprets or weighs them, or how applicants should prepare evidence to address them. There are no published guidelines, no decision-making frameworks, and no indicative timelines.

The opacity of the framework, and attendant lack of predictability acts as a disincentive for new market entrants – especially non-terrestrial entrants.

Question 1.3: *What other considerations or interventions would be useful for ICASA to consider regarding the effectiveness and efficiency of the current sale and transfer licensing framework so as to promote competition?*

Cell C Response:

Cell C submits that ICASA should strengthen the transparency of the sale and transfer of licenses by service providers within the existing licensing framework by maintaining an up-to-date public record of all IECNS and IECS licences, including their current ownership and any approved transfers. Cell C notes with appreciation that ICASA already publishes a list of licensed entities on its website.

However, this list is often outdated and does not reflect changes in ownership or control. An accurate, continuously maintained public register is essential for the effective functioning of the transfer regime.

Cell C observes that this lack of transparency produces several negative effects:

- First, it prevents market participants and investors from understanding the ownership landscape of the sector. This prevents proper assessment of competition and adequate due diligence. Where ownership information is unclear, transaction risk increases because regulatory certainty decreases. This directly decreases market participation and negatively impacts competition.

- Second, inaccurate public registers mean that potential investors cannot determine whether a licence holder is active, dormant, recently acquired, or part of a wider corporate group. This impedes efficient market entry and informed commercial decision-making. This observation, Cell C submits is particularly important for competition and the high licence pricing observed by ICASA. A lack of accurate public information about licence ownership has obvious potential to distort prices. Information asymmetry allows licence holders to command inflated prices, even when the underlying licence is unused. In a market where no new IECNS licences are issued because of ICASA's narrow interpretation of its statutory powers, and the lack of express policy directives to issue new licences, this information asymmetry encourages licence hoarding. That, in turn, drives up the cost of acquiring a licence. The result is higher barriers to entry. A transparent, up-to-date register would limit these distortions and support a fair, efficient transfer market.

SECTION 2: THE DEMAND FOR NEW INDIVIDUAL ECNS LICENCES

Question 2.1: *In your view, are there sufficient market opportunities to justify issuing new IECNS and I-ECS licences? Please motivate your response.*
Cell C Response:

The framing of the ICASA's question assumes that new licensing depends on the prior existence of market opportunities. Cell C respectfully submits that this assumption does not hold true in a dynamic ICT sector. In this industry, infrastructure investment, technological innovation and new entrants often create opportunities that did not previously exist. It is Cell C's view that the relationship runs in both directions. Opportunities support entry, but entry also generates new opportunities for service development, wholesale capacity and market innovation. This is particularly so because of the pace of innovation in this sector. Cell C suggests that this dynamism be embraced rather than throttled.

Against this background, Cell C supports new participation in infrastructure and advanced electronic communications services, including non-terrestrial networks such as:

- direct-to-device or customer satellite services.
- Including advancements that contribute towards new standards for national security and sovereignty.
- Low-earth-orbit (LEO) and other orbiting technologies.
- High Altitude Platforms (HAPS) and High IMT Base Stations (HIBS)

These forms of entry can expand wholesale capacity, improve universal access and introduce next-generation services.

However, before new licences are issued, Cell C submits that the underlying weaknesses in the current market structure must be addressed. As explained earlier, the transfer market is constrained by significant information asymmetries. The lack of a transparent, accurate public register obscures whether IECNS licences are active, dormant, recently acquired or unused. This can lead to licence hoarding, inflated licence prices and inefficient allocation of existing rights. These problems must be resolved first so that any dormant or under-utilised licences can return to the market and support new investment.

Beyond information asymmetry, the broader structural issues identified in response to Questions 1.1 to 1.3 must also be addressed. These include spectrum scarcity, facilities-access challenges, infrastructure deployment barriers and uncertainty created by ICASA's narrow interpretation of section 5(6). Introducing new licence holders into an environment where these issues remain unresolved risks destabilising the market, increasing investor uncertainty and ultimately harming consumers.

Once these problems have been addressed, ICASA should then determine whether there is a genuine need for new IECNS or I-ECS licences. This requires a clear legal foundation. Section 5(6) obliges ICASA to issue individual licences "in terms of" a policy direction under section 3. Before considering new licences, ICASA should audit existing policy directions to determine whether any of them implicitly authorise or require further licensing. If existing directions already enable licensing, ICASA can act on that basis. If they do not, ICASA should engage the Minister on whether a new, explicit policy direction is needed.

Subject to this sequencing, Cell C remains supportive of new entrants, including foreign and non-terrestrial operators, provided that the licensing process is grounded in the Act, supported by clear policy direction and introduced within a stable regulatory framework. Done in this manner, new licensing can stimulate investment, diversify the infrastructure base and support innovation, without undermining market stability or consumer welfare.

Question 2.2: *Have you, or are you aware of any licensee or interested party who has, considered or is considering launching or expanding network infrastructure or providing services in South Africa? What technologies, network architecture and/or spectrum frequencies do you think would be appropriate for any new I-ECNS licensees? Please provide examples or evidence where possible.*

Cell C Response:

Cell C's knowledge as it pertains to this question is limited to the following:

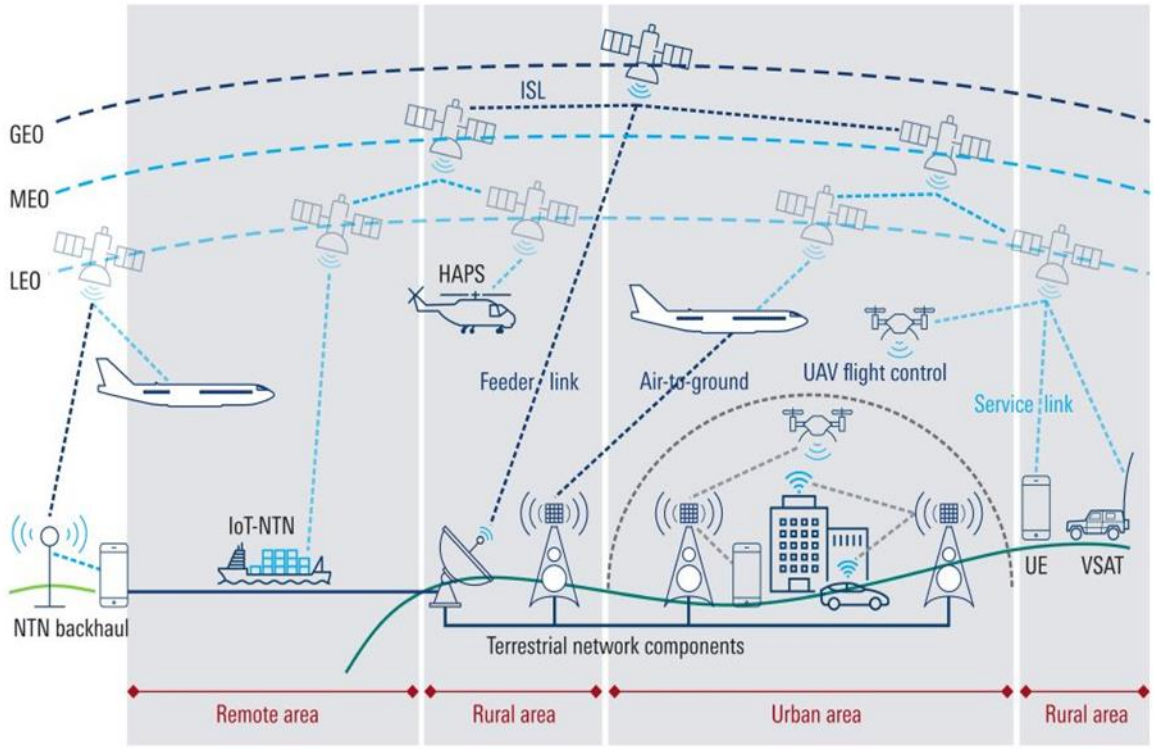
It has been reported in the media that certain multinationals have expressed interest in entering the telecommunications market. Some of these companies are foreign multinationals, and their willingness to invest in South Africa depends heavily on the transparency and predictability of the licensing process. Foreign investors must be able to understand the regulatory pathway clearly in order to assess investment risk, plan infrastructure deployment and make long-term commitments. In this respect, any new IECNS licensee will ultimately require access to spectrum to deploy meaningful network infrastructure. However, the licensing process should not pre-determine what technologies or services the licensee will provide. For this reason, Cell C submits that IECNS licences must remain technology-neutral, giving investors the flexibility to deploy fibre, wireless, satellite, non-terrestrial networks or emerging technologies as the market develops .

In keeping with a technology-neutral licensing approach, new entrants should have the flexibility to deploy whichever network architecture best suits their business model. This may include:

- IMT spectrum bands used for terrestrial mobile broadband;
- Ku- and Ka-band satellite spectrum for backhaul;
- broadband or direct-to-device services;
- future IMT bands identified for next-generation (5G-Advanced/6G) services.
- Non-terrestrial network architectures, including LEO and other satellite-based systems, should also remain available to support innovative service models and universal access.

Please see below Table A1 and subsequent narrative for illustrative purposes, an example of the technical description of non-terrestrial infrastructure providers, specifically satellite network providers and satellite retail services that will require licensing under the Act.

Table A 1



Source: https://www.rohde-schwarz.com/fi/solutions/wireless-communications-testing/wireless-standards/5g-nr/non-terrestrial-networks-ntn/non-terrestrial-networks-ntn_256719.html#media-gallery-6

A(2) Licensing Option

"Although satellite opens up new dimensions of regulatory requirements, licensing is generally implemented in accordance with segment approaches, such as space, ground, and user segments, in addition to the service provision.

c) Space segment: Satellites

The space segment (i.e. satellites) licences for satellite systems are granted by the satellite operator's notifying Administration, which submits the appropriate notification of the satellite system to the ITU in accordance with the provisions of the Radio Regulations. This creates an effective way of balancing the needs of governments to monitor and manage the use of the radio spectrum, and the needs of satellite and other satellite operators to get spectrum assignments and succeed in the coordination of their systems. In addition, in some countries an authorization for satellite may be required to grant approval to allow service provision of this satellite in the national territory of that administration.

c) Ground segment: Earth stations

The ground segment refers to the network of gateways or permanent earth stations. Gateway earth stations link one or more terrestrial networks and satellites. The ground segment licences are granted by the countries in which gateways or earth stations are located. Most satellite systems have or will have such ground facilities in a number of countries depending upon each system's design or the services provided. In many cases, the local earth station operators will apply for the applicable authorizations or licences from the national regulatory authorities.

c) User segment: user terminals

Satellite user terminals can vary from handheld mobile, portable to fixed installations, for which the licensing requirements may differ. The method by which administrations implement their national regulations, or other relevant instruments specifying whether individual licences are required, can vary. Exempting terminals from individual licence when covered by a blanket licence or a class licence is suitable for systems in which the network can control user terminals. Mobile and/or portable satellite terminals require a global regime to be used and carried anywhere. Given that satellite systems are offering, or intend to offer, regional and/or global services, creating a requirement for individual licences for these terminals may affect their unfettered circulation and use. In particular, the introduction of earth station in motion user terminals (ESIM) raises the need to consider the establishment of commonly agreed regulations to address issues related to the free circulation of user terminals and their national authorisation. This need has existed since the late 1990's, when the satellite industry started deploying global mobile-satellite systems, which provide direct-to-user telephony and low-rate data service, known as GMPCS."

Source: https://atuuat.africa/wp-content/uploads/2023/05/ATU-R-Report-004-0-Status-report-on-Satellite-Services-Licensing-in-Africa_Rev1-1-1.pdf

A (3) Fee Methodologies

The below Table A3 proposal seems reasonable (eg: For 100MHz in the upper frequency band (E) would cost R10 000). We also refer ICASA to the table in the ITU document on spectrum fee pricing methodologies found at ""*Guidelines for the review of spectrum pricing methodologies and the preparation of spectrum fee schedules (itu.int)*

Table A3

Item	Radio Frequency Band	Amount in Rands per MHz paired
A	F<1GHz	2000
B	1GHz ≤ F<3.3GHz	500
C	3.3GHz ≤ F< 7.075 GHz	200
D	7.075GHz ≤ F< 17.3 GHz	150
E	17.3 GHz ≤ F≤ 51.4 GHz	100
F	F>51.4 GHz	50

A(4) Best practice

Best practices adopted in other jurisdictions for satellite operator's spaces segment mainly requires ITU compliance on technical, operational, security and safety standards. It is therefore Cell C's view that ICASA should adopt similar regulations and requirements for South Africa and ensure compliance with current Astronomy Geographic Advantage regulations and the ECA. Cell

C strongly supports the implementation of radio quiet zones to protect the national space research program specifically the SKA. In achieving these objectives, the following provisions to ensure the protection of these quiet zones must be imposed. These considerations and provisions are crucial for maintaining the integrity of radio quiet zones and supporting ongoing astronomical research and observation efforts. Key considerations to be implemented should include protection from radio frequency interference, monitoring and enforcement, coordination with stakeholders, public awareness and education and regulatory frameworks. To achieve this, the following provisions for radio quiet zones should be adopted and implemented. Defined boundaries with clearly defined geographic boundaries of the radio quiet zones to ensure compliance and facilitate enforcement, RFI mitigation strategies to identify specific technologies or practices to reduce RFI, such as using lower power limits for the space and ground segments, establishment of buffer zones around key astronomical facilities to further reduce the risk of interference, collaboration with the FCC (Federal Communications Commission) and other regulators to incorporate radio quiet zone provisions into licensing processes for satellite telecommunications services, promote research into technologies that could help minimize RFI and enhance astronomical observations and implement a schedule for periodic review of the effectiveness of quiet zone protections and make adjustments as needed based on technological advances and research findings.

A(5) Other jurisdictions licencing regulations and requirements:

Table A5

Region/Country	Licensing Authority	Licensing Type	Key Regulations/Requirements	Notable Considerations
United States	Federal Communications Commission (FCC)	Individual and Blanket Licenses	Compliance with ITU regulations, spectrum allocation, and environmental reviews	Expedited processes for new technologies; satellite coordination required
European Union	European Commission (EC) and national regulators	National Licenses	Adherence to EC directives, ITU coordination, and national laws	Emphasis on interoperability and competition among operators
United Kingdom	Office of Communications (Ofcom)	Individual Licenses	ITU compliance, technical standards, and public interest considerations	License transfers and renewals are regulated
Canada	Innovation, Science and Economic Development Canada	Individual Licenses	Compliance with ITU, technical and safety requirements	Focus on promoting domestic satellite manufacturing
India	Department of Telecommunications (DoT)	Individual Licenses	ITU coordination, compliance with national security regulations	Encouragement of indigenous satellite technology development

Above is a Table A 5 with other jurisdictions licencing regulations and requirements:

Sources:

1. Starlink launches in Eswatini before coming to SA - starting at R1 070 per month | News24
2. FCC adopted New Licensing Framework Expands Satellite-to-Smartphone Coverage: https://www.insideglobaltech.com/2024/04/30/fcc-acts-to-expand-satellite-to-smartphone-coverage-supplemental-coverage-from-space-rules-will-enable-partnerships-between-satellite-operators-and-wireless-network-providers-in-the/#more-12223
3. FCC Streamlines licensing rules: https://www.satellitetoday.com/government-military/2020/11/18/fcc-votes-to-streamline-satellite-licensing-regulations/
4. Australia: Global Outer Space Guide: Australia | Global law firm | Norton Rose Fulbright
5. Bridging the Digital Divide: An Opportunity for Comms SPs to Partner With LEO Satellite Operators | IDC Blog
6. Zimbabwe: POTRAZ Confirms Types of Licences Issued to Starlink and the Fees Paid to Operate in Zimbabwe - iHarare News

A (6) Frequency bands in the Satellite domain

- L Band (1 – 2 GHz)
  - 1.2 – 1.8 GHz: GPS, mobile satellite communication, and search and rescue satellites.
- S Band (2 – 4 GHz)
  - 2.025 – 2.3 GHz: Space operations and research, including deep space links.
- C Band (4 – 8 GHz)
  - Primarily used for satellite communications and satellite TV networks.
- X Band (8 – 12 GHz)
  - Used by the military and for radar applications.
- Ku Band (12 – 18 GHz)
  - Used for satellite communications and direct broadcast satellite services.
- Ka Band (26 – 40 GHz)
  - Communications satellites and high-resolution targeting radars.
- V Band (40 – 75 GHz)
  - Emerging use in high-capacity satellite communications.

https://usradioguy.com/satellite-frequencies/

Question 2.3: *If you are an existing licensee, did you acquire your I-ECNS and or I-ECS licences through the sale and transfer market (i.e. bought from another licensee) or did you obtain them directly from ICASA (not through transfer or change of ownership)? If acquired from the secondary market, please provide details on your experience.*

Cell C Response:

Cell C acquired its IECNS and IECS directly from ICASA during the sector-wide licensing process conducted in 2001. These licences were not acquired through the sale or transfer market.

Question 2.4: *If you have/had I-ECNS and/or I-ECS licences, have you been approached or have you received unsolicited or solicited interest from an interested buyer to acquire your licence? Please elaborate and provide as much information as possible, if applicable.*

Cell C Response:

Cell C has neither been approached nor received solicited/unsolicited interest from any buyer wanting to acquire either of its licences.
Question 2.5: *If you have I-ECNS and/or I-ECS licences and are not intending to sell your licence(s) in the next 3 - 5 years, please describe the infrastructure used (mobile, fixed, satellite or combination). Provide a list of services that you currently provide and whether those are provided to private consumers and/or businesses/organisations (or both where appropriate)?* **Cell C Response:** Cell C is not intending to sell its licences now or in the foreseeable future. Cell C operates using its own network infrastructure, with the Radio Network Access (RAN) element outsourced. This network includes Cell C's transmission layer, Core Network and Intelligent Network (IN) platforms with its CRM. This infrastructure enables the provision of electronic communication services . Cell C supplies services across the retail and wholesale markets. These include services to individual consumers, small and medium enterprises, large corporates, MVNO partners and public sector organisations, including government entities.
Question 2.6: *Are there any additional points that you think would be useful for ICASA to consider regarding the demand for I-ECNS and I-ECS licences?* **Cell C Response:** Cell C suggests that ICASA conduct an economic impact assessment or relevant market assessment to determine the demand for these categories of licensees.

SECTION 3: WHETHER NEW I-ECNS LICENCES WILL PROMOTE COMPETITION IN THE MARKET FOR I-ECNS

Question 3.1: *In your view, do you believe that new I-ECNS licences will promote or improve competition in the market? Please substantiate your answer.* **Cell C Response:** Cell C believes that new market entry has the potential to promote competition in the ICT sector. New entrants can expand infrastructure investment, introduce advanced technologies, and support universal access in underserviced areas. This point is especially true if the legislative framework is amended to accommodate innovation as an evaluation criterion in the transfer market (in addition to equity and competition considerations), as well as in the new licence market. New entrants will also strengthen wholesale capacity and bring innovative service models into the market. In this sense, increased participation remains important for long-term sector growth and for supporting the policy objective of increasing the ICT sector's contribution to the economy. However, Cell C submits that issuing new I-ECNS licences at this stage would be premature. The current licensing framework is affected by structural and regulatory weaknesses identified earlier. These include information asymmetries in the transfer market, a lack of transparency in section 13 processes, uncertainty arising from ICASA's narrow interpretation of section 5(6), barriers to infrastructure deployment, and challenges in facilities access and spectrum assignment. These problems distort

market signals, raise investment risk, and suppress the conditions under which new entrants could succeed.

Cell C's view is that these underlying issues must be addressed first. A transparent transfer regime may free up dormant or under-utilised licences that are currently being hoarded rendering the issuing of new licences unnecessary. A clearer licensing framework may restore predictability for investors. Improvements in facilities access, deployment processes and spectrum management would lower barriers to entry and strengthen the competitive environment. Only once these systemic problems are resolved can ICASA reliably determine whether the market requires additional I-ECNS licence holders.

Cell C firmly believes that issuing new IECNS licences prior to conducting the above-mentioned assessments may destabilise the market and operate against the interests of customers, and entrench competition concerns. New licensees will also be constrained by the systemic problems identified earlier in this submission. Therefore the issuing of new licences is not an immediate solve for the root causes of the problems identified by ICASA.

After the aforementioned assessment is completed, ICASA should then assess whether current policy directions under section 3 of the ECA implicitly allow for the issuing of new licences. If existing policy directions are sufficient, ICASA should proceed on that basis. If not, ICASA should engage the Minister on the need for a specific policy direction to support further licensing. This sequence ensures that any decision to issue new licences rests on a coherent legal and regulatory foundation.

Subject to this approach, Cell C remains supportive of new infrastructure-based entrants, including non-terrestrial operators that utilise satellite-based systems and are foreign investors. These entrants can strengthen wholesale markets, drive innovation, enhance wholesale competition and expand advanced electronic communications services. But they will only succeed if introduced into a stable and functional regulatory environment. Issuing new licences into an unresolved framework will not correct the present weaknesses and may undermine consumer welfare and market stability.

In summary, new licences can promote competition but issuing them is not a remedy for the deficiencies of the current framework. ICASA should first correct the structural and regulatory constraints, then determine whether additional licences are needed, and only thereafter initiate a licensing process grounded in clear policy direction. This balanced approach will ensure that new entrants strengthen, rather than destabilise, the sector.

Question 3.2: *If you answered yes to Question 3.1 above, are there any competition issues or concerns that may hinder the effectiveness of such new I-ECNS licences in promoting or improve competition? Please provide evidence or examples.*

Yes. Cell C believes that there are several competition issues that would prevent new IECNS licenses from improving competition unless they are addressed first.

The Competition Commission's Data Services Market Inquiry found that the market is highly concentrated, with Vodacom and MTN together holding at least 70% of data revenue and 80% of total subscriber service revenue. This level of concentration is accompanied by persistent high profitability and excess returns, which indicate weak competitive constraints. New entrants would struggle to overcome these structural advantages.

The Inquiry also found that national roaming arrangements have "historically been one-sided in favour of the incumbent operators" and that even the new agreements "remain generally unfavourable to the challenger networks." Roaming is essential for any new entrant without national coverage, and adverse roaming terms would undermine the effectiveness of new I-ECNS licensees.

Wholesale market failures further weaken new entry. MVNO access is limited, with MVNOs accounting for only 1.9% of the market. The Commission found that dominant operators have little incentive to support MVNOs on competitive terms. These wholesale constraints would reduce the ability of new entrants to scale or offer innovative services.

Facilities access is also a barrier. The Inquiry reported persistent difficulties in gaining access to ducts, poles and other passive infrastructure, and noted that existing regulations do not adequately prevent strategic refusals or excessive pricing. Without meaningful facilities access, new entrants cannot deploy infrastructure efficiently or at competitive cost.

Finally, delays in infrastructure deployment, including slow and inconsistent municipal wayleave processes, further raise the costs of investment and create uncertainty for new entrants. The Commission identified these deployment challenges as a significant barrier to competition.

In Cell C's view, these structural issues would prevent new I-ECNS licences from improving competition at this stage. They must be resolved first. Once the underlying regulatory and market failures have been corrected, new licences may indeed stimulate investment, enable advanced technologies and strengthen competitive pressures. But issuing licences into the current framework will not achieve these outcomes.

Question 3.3: *What regulatory measures, if any, should ICASA consider remedying the competition concerns you have identified in Question 3.2 above, or to ensure that any new IECNS licences compete effectively with the incumbents? Provide examples of the kinds of remedies you would expect to see.*

Cell C Response:

Cell C has addressed this in detail in its submissions above. However, a pointed summary of those submissions follows:

- Publish all licence-transfer and control-change decisions and keep an accurate, real-time public register of IECNS/IECS licensees to remove information asymmetry and prevent licence hoarding.
- Prioritise innovation capacity when evaluating license transfer applications to energise the market and create new opportunities.
- Issue clear procedural and substantive guidelines for section 13 transfer applications, including timelines, evaluation criteria and information requirements.
- Strengthen facilities-access regulation to ensure cost-oriented, non-discriminatory access to ducts, poles, passive infrastructure and other essential facilities.
- Enforce fair national roaming conditions, addressing the unfavourable wholesale terms identified by the Competition Commission.

- Improve MVNO access by ensuring transparent, fair and competitively neutral wholesale pricing and service conditions.
- Work with government and municipalities to streamline and standardise wayleave and infrastructure-deployment processes to reduce delays and costs.
- ICASA should clarify the interpretation and operation of section 5(6) by auditing existing policy directions and publishing guidance on when new licensing processes may lawfully be initiated.
- Any future licensing framework should be technology-neutral and allow new entrants to deploy terrestrial, satellite, non-terrestrial and next-generation network architectures without restrictive licensing conditions.

SECTION 4: POTENTIAL CONTRIBUTION OF NEW I-ECNS LICENCES TO UNIVERSAL ACCESS AND SERVICE

Question 4.1: *In your view, will new I-ECNS and I-ECS licences contribute to universal access and service within the current electronic communications network and services market?*
Please explain the mechanisms through which such contribution may occur. Provide any supporting data, case studies, or examples.

Cell C Response:

Subject to the earlier submissions in this document, Cell C believes that new I-ECNS and I-ECS licensees could help expand universal access. However, Cell C's view is this is unlikely under the current framework. Presently, the regulatory and market conditions make it very hard for any new entrant to reach rural and low-income communities, because the system does not support the kind of innovation that universal access actually requires.

South Africa is a highly unequal country, and large parts of the population cannot be served profitably using traditional mobile or fibre business models. To reach these communities, operators need flexibility to try new ideas (for example: cheaper technologies, new pricing models, satellite-based coverage, community networks, hybrid systems and other creative approaches.)

But the reality is:

- The costs to enter the market are high, especially because roaming and wholesale access are still not favourable to smaller networks. The DSMI found that roaming agreements "remain generally unfavourable to the challenger networks," which raises costs for any new entrant.
- It takes too long and costs too much to build infrastructure, partly because of problems with facilities access and municipal wayleave delays, which the DSMI identified as major barriers.
- It is difficult to get access to essential facilities like ducts and poles, and prices are not cost-based, another DSMI finding.
- Spectrum shortages and delays in assignment force operators to build more sites, increasing costs.

These issues make it almost impossible for a new player to try new approaches or use cheaper technologies that could work better in rural and low-income areas.

In other words:

Universal access depends on innovation, but the current framework blocks innovation. So simply issuing new licences won't change anything. If the underlying problems are fixed, then new entrants can contribute. For example:

- Satellite and low-earth-orbit systems could cover remote areas at lower cost.
- Hybrid networks to serve lower income communities.
- Foreign or non-terrestrial operators could bring new technology and capital.

None of the above will succeed unless the regulatory environment first allows new entrants to operate efficiently and experiment with different models.

Right now, adding new licensees into a system that blocks innovation will not deliver universal access and may even deter investment.

In addition, Cell C refers the Authority to section 88 of the ECA. Cell C recommends that subsidies from the universal service and access fund be used for the purposes of addressing access to services by needy persons and for the purposes of financing the construction or extension of electronic communications network services in underserviced areas.

Question 4.2: *In your view, how should the Authority incorporate universal access and service obligations into the terms and conditions of new I-ECNS and I-ECS licences to ensure equitable access to communications services across South Africa?*

Cell C Response:

The way ICASA incorporates universal access and service obligations will depend mainly on ICASA's chosen licensing method. In Cell C's view, the first priority must be to address the barriers to entry and competition identified earlier, including predictable access to radio-frequency spectrum and numbering resources. These are essential inputs for any operator that seeks to extend coverage and offer services at scale.

Cell C respectfully cautions that overly burdensome or complex licencing conditions will not promote universal access. Heavy obligations often increase operational and compliance costs, discourage investment, and limit the appetite for innovation. In a sector where reaching low-income and rural communities requires new business models and flexible technologies, cumbersome terms and conditions coupled with a market that is unsupportive of innovation, can have the opposite effect of what is intended.

Universal access obligations only work when operators have room to innovate. That means obligations should be clear, realistic and aligned with investment incentives, not rigid or one-size-fits-all. They should also reflect the different capabilities of terrestrial, satellite, fixed-wireless, non-terrestrial and hybrid networks. A technology-neutral approach will allow licensees to choose the most appropriate architecture for the areas they serve, including remote or sparsely populated communities.

SECTION 5: BENEFITS OF NEW I-ECNS LICENCES VERSUS COSTS, INCLUDING THE COST TO THE AUTHORITY OF MONITORING AND ENFORCING COMPLIANCE WITH ANY SUCH LICENCES, AND THE

BURDEN ON THE ENVIRONMENT

Question 5.1: *Are there any potential negative consequences associated with the rollout of infrastructure by the new I-ECNS licensees that the Authority should consider?*

Cell C Response:

Cell C views the major cost drivers and negative consequences for a new network operator to centre around the following broad categories:

- Core Network Build
- Facilities leasing and sharing
- Not foreseeable for negative impact on USO
- Fees for Spectrum acquisition and operations
- Annual Licence fees and USF contribution
- BSS and RAN costs
- Operational costs including human capital
- Asymmetric compliance obligations

Question 5.2 *What new or additional benefits, if any, could new I-ECNS licences provide compared to existing licensees? Please provide examples or evidence of potential improvements such as service coverage, infrastructure rollout, technological innovation, competition, or other market and social benefits.*

Cell C Response:

Cell C respectfully also offers the following case study for ICASA's consideration:

- Australia provides a useful illustration of how sustained infrastructure investment can expand coverage, improve service quality and stimulate technological advancement. Mobile network operators in Australia, including Telstra, Optus and TPG Telecom, have made significant investments in 5G network expansion and in extending coverage to regional and rural areas. Government co-investment has played an important role in accelerating this rollout, with more than $1 billion committed through the Mobile Black Spot Program and a further $656 million allocated under the Better Connectivity Plan for Regional and Rural Australia. These initiatives have supported widespread infrastructure deployment, with Optus leading new site additions as of 2025 and Telstra operating more than 11,000 network sites nationally.

- The broader telecommunications market in Australia has also expanded rapidly, with the telecom sector valued at USD 18.63 billion in 2023 and expected to reach nearly USD 23 billion by 2029. The mobile sector alone has contributed as much as $65 billion to the national economy, reflecting the scale of economic activity generated by infrastructure-based competition and continued investment in high-capacity networks. Significant growth in 5G-capable sites further demonstrates how strong infrastructure competition drives faster deployment of advanced technologies.

- Australia's experience also highlights how digital infrastructure investment extends beyond mobile networks. The country has seen rapid expansion in data-centre systems, with investment expected to rise 22.5% to AUD 10.1 billion in 2026, alongside a 30% increase in server spending to support AI-driven applications. Broader technology spending is projected to exceed AUD

172.3 billion by 2026, aided by major private-sector commitments such as Amazon's AUD 20 billion, five-year investment in digital infrastructure, aimed at meeting rapidly increasing demand for cloud services and data processing.

- Taken together, these developments demonstrate the kinds of benefits that new infrastructure-based entrants or new I-ECNS licensees can bring: broader coverage through targeted investment, accelerated deployment of next-generation networks, strengthened regional connectivity, and material economic contributions supported by digital infrastructure growth. They illustrate how competitive entry and sustained investment can improve service availability, support innovation and enhance the overall performance of a national communications sector.

Cell C further respectfully refers ICASA to the below:

A study conducted by McKinsey Consultancy report titled: *Remember the Future – The Next Frontier for African telcos* is a noteworthy document. In its modelling findings, it predicts potential growth of the next 500Million users in the African continent - "*A new era of growth awaits African telcos, but to reach the continent's next 500 million users, operators will need bold, forward-thinking strategic choices […]*" **https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/remember-the-future-the-next-frontier-for-african-telcos**

SECTION 6: ANY OTHER COMMENTS

Question 6.1: *Do you have any additional comments regarding this Inquiry process that you would like ICASA to consider?*

Cell C Response:

Cell C will provide further written input during the request for input to the subsequent discussion document phase.

3. CONCLUSION

1. Cell C notes that this Inquiry follows the policy direction issued by the Minister in August 2025 and welcomes ICASA's decision to revisit the licensing framework as a whole. Before any decision is taken on the introduction of new I-ECNS licensees, Cell C respectfully submits that ICASA should conduct a full Economic Impact Assessment (**EIA**) to evaluate the effects of the current framework on investment, competition, innovation and universal access.

2. An EIA will assist ICASA in understanding whether the constraints identified in this submission (such as information asymmetries in the transfer market, facilities-access barriers, wayleave delays, and the narrow interpretation of section 5(6)) are suppressing market growth and whether structural reforms are required to unlock future opportunities.

3. As explained throughout this document, these structural issues are not incidental; they are core reasons why new entrants currently struggle to scale, innovate or contribute meaningfully to infrastructure competition, and why core concerns like universal access remain unaddressed. If the

underlying regulatory environment remains opaque and unpredictable, the introduction of new I-ECNS licensees may entrench existing market weaknesses rather than resolve them. Addressing these issues first will create a stable and enabling environment from which both existing operators and new entrants can compete effectively.

4. Cell C remains committed to a licensing system that prioritises innovation in the interests of all South Africans, promotes long-term investment, fair competition and universal access. We submit that a sequenced, evidence-based approach which begins with an EIA, followed by the correction of structural barriers, and only then the consideration of new licence issuance, offers the most responsible and robust path forward for South Africa's communications sector.

5. Cell C thanks ICASA for the opportunity to place these views before it for consideration, and looks forward to engaging further with ICASA during the public hearings.

[END]