



27 January 2026

Independent Communications Authority of South Africa

For attention: Mr Peter Mailula
Independent Communications Authority of South Africa
350 Witch-Hazel Road, Eco-Park Centurion 0157
iecns-inquiry@icasa.org.za and pmailula@icasa.org.za

RE: Submission on Inquiry into New Individual Electronic Communications Network Service Licences

Dear Sir

SpaceX Internet Services South Africa (Pty) Ltd. ("**SpaceX**") is pleased to submit our response to the Inquiry into New Individual Electronic Communications Network Service Licences (the "**Inquiry**") pursuant to the notice issued by the Independent Communications Authority of South Africa (the "**Authority**") dated 21 November 2024 (published in Government Gazette 725, Notice Number 53719 on 25 November 2025).

Our response is contained below.

SpaceX welcomes the Inquiry and would welcome the opportunity to participate in one-on-one meetings in relation to this response, or as part of the public hearings to be scheduled by the Authority.

Yours faithfully,

Ryan Goodnight
Senior Director, Market Access and Development
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Enclosure

1. SpaceX response to the Inquiry



Enclosure 1: SpaceX Response to the Authority

1. Introduction

- 1.1 SpaceX welcomes the Inquiry into New Individual Electronic Communications Network Service Licences (the "**Inquiry**") to be conducted by the Independent Communications Authority of South Africa (the "**Authority**") pursuant to the notice issued by the Authority dated 21 November 2024 (published in Government Gazette 725, Notice Number 53719 on 25 November 2025) (the "**Notice**").
- 1.2 As a leading low Earth orbit satellite provider, SpaceX is well acquainted with the requirements of the Electronic Communications Act, 2005 (the "**ECA**") as well as the various regulations issued under the ECA by the Independent Communications Authority of South Africa ("**ICASA**"). Moreover, given our intention to formally enter the South African market, it is our desire to obtain individual electronic communications network service ("**I-ECNS**") and individual electronic communications service ("**I-ECS**") licences to provide a national service (as well as the necessary radio frequency spectrum licences).
- 1.3 SpaceX believes that a vibrant, inclusive and growing ICT sector is vital to ensure that South Africa closes the 'digital divide' and increase broadband Internet penetration throughout South Africa. We believe that this is best achieved through a regulatory environment that:
- 1.3.1 is easily understandable and does not place unnecessary administrative hurdles before potential market entrants;
 - 1.3.2 invites, and promotes, competition amongst sector participants;
 - 1.3.3 promotes stability in the sector; and
 - 1.3.4 refrains from undue interference in the commercial activities of licensees, while taking into account the electronic communication needs of the public.

1.4 A regulatory environment of this nature invites growth which, in turn, will naturally contribute to the universal provision of electronic communications networks in South Africa.

1.5 We set out our rationale for supporting a framework under the ECA in terms of which the Authority may consider and accept applications for new individual electronic communications network and individual electronic communications service licences.

2. **The current regime is not effective or beneficial to South Africa**

2.1 The current practice in obtaining I-ECS and/or I-ECNS licences in South Africa is burdensome, expensive, time-consuming and the outcome is ultimately uncertain.

2.2 The Authority is currently not empowered to consider *de novo* applications for I-ECS and/or I-ECNS licences, meaning that a person (such as SpaceX) who wishes to obtain an I-ECS and/or I-ECNS licence must:

2.2.1 identify an existing licensee that is not utilising its licences;

2.2.2 reach a commercial agreement with that licensee to either:

2.2.2.1 purchase the licence(s) as an asset; or

2.2.2.2 acquire the shareholding of the licensee (to obtain control over the licence(s)); and

2.2.3 thereafter, submit an application to the Authority to consider the transfer of the licence (or control over the licence) in accordance with:

2.2.3.1 section 13 of the ECA;

2.2.3.2 regulations 11 and 12 of the Licensing Processes and Procedure Regulations for Individual Licences, 2010 (the "**Process Regulations**"); and

- 2.2.3.3 the Regulations in respect of the Limitations of Control and Equity Ownership by Historically Disadvantaged Groups (HDGs) and the application of the ICT Sector Code, 2021 (the "**Ownership Regulations**").
- 2.3 Consequently, a prospective licensee must:
- 2.3.1 first – identify an available licence (and there is currently no publicly available register indicating which licences are available for acquisition);
- 2.3.2 second – conclude an agreement to acquire the licence(s) (or control over the licence(s)), which will require payment of a purchase price (determined by the existing licensee, not the Authority), with the existing licensee having sole discretion as to whether to transfer its licence (or control over its licence) to the prospective licensee; and
- 2.3.3 third – seek the Authority's approval for the transfer, which approval will assess both the identify of the prospective acquirer, as well as the past conduct of the licensee that holds the licence (i.e. exposing the applicant to the conduct of a third party).
- 2.4 Each of these steps introduces delays, costs and uncertainty for persons seeking to obtain individual licences and provide telecommunication or broadcasting services in South Africa. They have the effect of appointing incumbent operators as the first arbiter as to whether a new entrant may enter the market (as an existing licensee is under no obligation to agree to transfer its licence). This creates a potential incentive for an existing licensee to dictate unreasonable prices to transfer its unused licences, or to block potential competitors from entering the market. An existing licensee may also require that the acquirer purchases both the I-ECS and I-ECNS licence (if it holds both), even if the acquirer only wishes to acquire one of those licences. There is no 'use it or lose it' requirement applicable to I-ECS or I-ECNS licences, so there is no incentive on the existing licensee to surrender its licences absent a transaction.
- 2.5 Notwithstanding the challenges facing a new entrant, the ultimate administrative burden on the Authority remains the same under both the new proposed licensing regime and the existing licensing regime, as the requirements imposed on the

Authority are (in substance) the same when considering a new licence application (pursuant to an invitation to apply) when contrasted with considering a licence transfer application. For these reasons, SpaceX is in favour of a regime whereby an applicant may apply directly to the Authority for an individual licence, which licence application will ultimately be subject to the same substantive requirements as a licence transfer application and which dramatically reduces the barrier to entry for new licensees.

2.6 SpaceX has noted the Authority's concern that a *de novo* licence application process may increase the administrative burden upon the Authority (in that, presumably, persons that may have previously applied for class licences may now seek individual licences). In this regard, SpaceX makes the following submissions:

2.6.1 if the distinction between class and individual licences is to remain, administrative constraints upon the Authority should not preclude entry to the South African market. The current licensing regime favours entities with the financial means to purchase existing licences, and this is not an outcome that will result in the transformation or growth of the sector;

2.6.2 should a revised licensing regime increase the number of licences issued by the Authority, this would – presumably – lead to a potential increase in licence revenues paid to the Authority. The Authority could – in turn – seek to utilise these revenues to address its increased administrative burden;

2.6.3 in the absence of *de novo* individual licence applications, SpaceX notes that it has become the norm for entities to either (i) apply for multiple class licences to broaden the geographic scope of their services (provided that they do not provide a service of national or geographic scope) or (ii) enter into reseller arrangements with existing licensees, which potentially obscures the commercial relationship with subscribers from the Authority. While these approaches align with the requirements of the ECA, they significantly increase the administrative burden upon the Authority. A streamlined individual licence application process would presumably reduce the number of class licence applications considered by the Authority (as well as the number of national

resellers (both registered and unregistered), allowing the Authority to allocate its internal resources appropriately and effectively; and

- 2.6.4 a revised licensing model could disincentivise existing licensees from holding individual licences that they no longer require, as it would be unlikely that a new entrant would seek to purchase their licence. This could lead to the surrender of unneeded licences, reducing the number of licences in issue, and, in turn, reduce the administrative burden upon the Authority.

3. **The Inquiry should not proceed in a vacuum**

- 3.1 While the Notice establishing the Inquiry excludes certain matters from its remit (specifically, Class Electronic Communications Network ("**Class ECN**") and Electronic Communications Service ("**Class ECS**") licences, Broadcasting Service ("BS") licences, and Radio Frequency Spectrum ("**RFS**") licences),¹ SpaceX submits that the Inquiry should not proceed in a vacuum, as it – fundamentally – is addressing the manner in which a provider can deliver a national service in South Africa. This issue is inextricably linked to:

- 3.1.1 regulatory certainty;
- 3.1.2 ease of entry to the market, including by foreign owned entities; and
- 3.1.3 access to radio frequency spectrum once a person is awarded a licence.

- 3.2 In this regard, SpaceX submits that the Inquiry should not proceed without reference to the recent policy directive issued by the Minister of Communications and Digital Technologies (the "**Minister**") concerning equity equivalent investment programmes on 12 December 2025 (the "**Policy Direction**").

- 3.3 Without repeating the full contents of the Policy Direction, it notes that:

¹ See paragraph 3.2 of the Notice

- 3.3.1 there are currently disparate requirements between the ICT Sector Code² and the Authority's regulations concerning the ownership of licensees, the transfer of individual licences³ and the issuance and transfer of radio frequency spectrum licences⁴;
- 3.3.2 regulatory hurdles have been an impediment to investment in reliable broadband and ensuring access to the Internet; and
- 3.3.3 the Authority is empowered to rectify these discrepancies under the ICASA Act⁵ and the ECA without a need to amend the ECA.
- 3.4 SpaceX submits that a revision to the individual licensing regime should be accompanied by significant amendments to (and simplification of) the Authority's regulations concerning individual licences. Simplifying and harmonising requirements pertaining to the application, transfer and reporting concerning individual licences would be beneficial to the Authority and licensees, with the Authority rather focusing its resources on significant matters impacting the sector (as opposed to considering voluminous and duplicative application bundles). We firmly believe that a clear licensing framework, aligned with the provisions of the ECA (including the current wording of section 9(2) of the ECA that expressly permits "such other conditions" beyond equity ownership), would be beneficial.

4. Conclusion

- 4.1 The existing individual licensing regime creates artificial and unnecessary barriers to entry for prospective licensees in South Africa. At worst, it promotes rent-seeking by opportunistic licensees that no longer require their licences, while increasing the cost and time for a prospective licensee to enter the market, without any benefit to South

² The Code of Good Practice for the ICT Sector – the ICT Sector Code in terms of the BBBEE Act

³ In particular, those requirements arising under the Licensing Processes and Procedures Regulations for Individual Licenses, published under Government Notice R522 in Government Gazette 33293 of 14 June 2010 (as amended)

⁴ In particular, the requirements arising under the Radio Frequency Spectrum Regulations, 2015, issued under General Notice 279 in *Government Gazette* 38641 of 30 March 2015 (as amended)

⁵ Independent Communications Authority of South Africa Act, 13 of 2000

Africa or the Authority. SpaceX welcomes the proposal to permit direct application to the Authority for I-ECS and I-ECNS licences.

- 4.2 SpaceX respectfully submits that the Authority should not conduct this Inquiry in isolation of the regulatory burdens that face prospective and existing individual licensees. While the Authority must give due consideration to a revised licensing regime, it should not omit to use its existing powers to simplify its current regulations (to the benefit of licensees and the Authority) and to align them with the current requirements of the ECA and the ICT Sector Code.
- 4.3 SpaceX appreciates the opportunity to provide these initial comments on the Inquiry and welcomes any further opportunity to participate in the Inquiry.