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| TO: | SENTECH |
| FROM: | ICASA |
| DATE: | 4 JULY 2023 |
| SUBJECT: | STAKEHOLDER QUESTIONNAIRES- ICASA MARKET INQUIRY INTO SIGNAL DISTRIBUTION SERVICES |

# Contact Details for the Respondent

Please complete the table below. Where there is more than one contact person, please include the full details of the additional contact person/s in the format provided below.

|  |  |
| --- | --- |
| First Name |  |
| Last Name |  |
| Title |  |
| Organisation |  |
| Department |  |
| Address Line 1 |  |
| Address Line 2 |  |
| Address Line 3 |  |
| Postal Code |  |
| City |  |
| Telephone (Switchboard) |  |
| Telephone (Direct Line) |  |
| Mobile |  |
| Email |  |

# Background and Instructions

The purpose of this questionnaire is to obtain information and opinions from market participants and stakeholders that are required for the ICASA Market Inquiry into Signal Distribution Service. Respondents are asked to complete the relevant sections of the questionnaire that follows. Please complete the survey as accurately as possible.

* All data should be provided electronically in Microsoft Excel in the template provided.
* When providing written responses, as well as supporting evidence and data, indicate clearly to which question the information pertains to.

Should a respondent be of the view that the information submitted is confidential, the respondent must take steps to claim confidential treatment for such information.

The information requested is to be provided by within forty-five (45) working days from the date of publication of the notice in the Government Gazette on request of further information from stakeholders. Earlier submissions of the responses to the questionnaire would be welcomed.

Should there be any questions or further clarification required from ICASA, kindly address your questions to the Chairperson: Signal Distribution Inquiry Council Committee at [signaldistribution@icasa.org.za](mailto:signaldistribution@icasa.org.za).

**Company information**

1. What different service types do you offer for broadcasting signal distribution?
2. Please provide an organogram of your broadcasting and related companies in South Africa.

**Customer information**

1. Please provide a list of all channels that you distribute split by radio and television as per **Tab 2.1** of the attached Excel:
   1. Indicate if each channel is SD or HD and analogue or Digital.
   2. Please provide:
      1. the price charged to each channel
      2. the sites broadcast on
      3. the capacity used
2. Indicate the capacity you have available for additional channels using your existing infrastructure.
3. Please complete **Tab 2.2** of attached spreadsheet. In respect of services, please provide for FY2020/21 and FY2021/22:
   1. List of channels transmitted with broadcaster indicated in separate column.
   2. Total Revenues from signal distribution provided from each customer.
4. Do you provide different pricing to community broadcasters or those requiring more localised transmission services? Please provide more information on the different prices structure used, underlying cost differences, and the extent to which this is currently being utilised at present. If not offered please provide information on the extent to which it is envisioned as a future offering.

**General information**

1. Please comment on the current state of competition in markets for signal distribution services including in respect of:
   1. Sustainability
   2. Investment, including in new technologies.
   3. Access to sites.
   4. Population and geographic coverage.
   5. The extent to which network sharing is being contemplated or practiced.
2. Provide all internal strategy documents developed over the financial years FY2020/21 and FY2021/22 that reflect your firm’s analysis of competition, such as on market shares and your firm’s market position.
3. Please provide your current costing model and any previous studies or models relating to price for previous submissions or processes.

# Volumes, revenues and prices

1. Please complete in **Tab 3** of attached spreadsheet:
   1. How many MUXs do you have?
   2. What is the capacity (Mbps)?
   3. What channels are on each MUX?
2. What is your
   1. total MUX capacity in Mbits/s?
   2. available MUX capacity in Mbits/s?
3. How much of your MUX capacity is currently used?

# Site data

1. Please complete in **Tab 5.**:
   1. Provide a list of sites used by the licensee in the provision of signal distribution services in South Africa on an annual basis. For each site in the list:
      1. Provide the latitude and longitude and geographic details.
      2. Type of site (e.g. rooftop, tower, etc.).
      3. No of transmitters on site.
      4. Please indicate whether your firm owns the site or controls access to it.
      5. If your firm owns the site or controls access to the site, please indicate whether other companies (including mobile or pay) lease access to the site, and if so, provide the name’s of the other licensees, and the prices that these licensees pay for access.
      6. Please indicate whether your firm leases the site from another company (including mobile or pay), and if so, provide the name of the company.
      7. Please provide the capacity and usage of the site (how many companies could share the site, and how many currently share it? And the nature of the share (tower real estate only, tower and airconditioned container space with power, etc).

# Network architecture

1. Please provide diagrams of different types of sites and elements for each segment including
   1. broadcasting transmission,
   2. distribution (microwave, fibre etc),
   3. multiplexing

# Costing data

## Overall cost drivers

1. Provide a description of the main input cost drivers in respect the services you offer, and any available data or other information on trends in those costs over time. Please include a description of the value chain in delivering these services.
2. Please provide information on how costs differ between the provision of analogue and digital for both television and radio.

**Cost of capital**

1. Please provide your costs of debt, costs of equity, debt:equity ratio, and overall weighted average cost of capital (WACC) applied in your business in the financial years FY2020/21 and FY2021/22 in **Tab 8.**
2. Please provide forecasts for each of these elements over period FY2022/23-FY26/27, including in respect of interest rates.

## Costs in relation to the network elements

1. In respect of each of the network elements described in question 14 provide the following. Please differentiate between digital and analogue where relevant:
   1. In **Tab 6-** Capital costs:
      1. Capital expenditure in each of the years: FY2020/21, FY2021/22
      2. Depreciation period
      3. Forecast cost changes over the years: FY2022/23-FY26/27
   2. In **Tab 7**- Operating expenditure:
      1. Operating expenditure in each of the years: FY2020/21, FY2021/22
      2. Forecast cost changes over the years: FY2022/23-FY26/27
2. For the above, please ensure that the following details are provided:
   1. Capital costs split by different segments of the value chain (broadcasting, multiplexing, transmission) and where relevant, by site type (cities, rural) including capital expenditure and civils, including but not limited to mast installation, transmitters, combiners, feeders, antennae, DC Power, AC Power supply, air conditioner, generator cost, UPS/battery, site approvals and acquisition, access roads, site civils.
3. Please provide the following in **Tab 4**:
   1. Please provide the following for each type of element used for each site type:
      1. Unit costs
      2. No of units needed
      3. Capacity of element (Mbps)
      4. Cost trend over time
      5. Depreciation period
   2. Please provide the asset lifetime of the elements listed above.
4. Provide the operating expenditure required for the following in Tab 7:
   1. Towers, including but not limited to electricity, leases and rentals, maintenance, access road maintenance,
   2. Multiplexing
   3. Distribution
   4. Upgrading of existing sites,
   5. Any additional network elements applicable to sites.
   6. Please note if any of these costs are different across different geographies.

## Additional costs

1. Please provide your non-signal distribution costs (i.e. all costs not captured in Section 8.2) for the financial years FY2020/21 and FY2021/22, and please indicate how these are likely to escalate over the period FY2022/23-FY2026/27.

**Asset register**

1. Please provide your fixed asset register in **Tab 10**
   1. Equipment type
   2. Historical cost
   3. Date of purchase
2. Please provide any quotations or price lists from vendors which will assist in providing the prices of different network elements.

# Management accounts and strategic documents

1. Provide management accounts and budgets in the format in which they are submitted to your firm’s senior management, that reflect revenues and costs for, among others, business units, products and services, and similar means of disaggregating accounting information, for the financial years FY2020/21 and FY2021/22, and please provide budgets applicable over any part of the period FY2022/23-FY2026/27.
2. Please provide any business plans, business cases and all supporting documentation such as powerpoint slides and excel spreadsheets for all new investments such as additional sites, new technologies at existing sites etc for the last three years.
3. Please provide all internal market research over the last three years.

# Other Information

1. Please feel free to make any other additional comments you may wish to make in relation to the content covered above.