



Independent Communications Authority of South Africa

Pinmill Farm, 164 Katherine Street, Sandton

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**BRIEFING NOTE ON PHASE 1 (MARKET STUDY) OF THE PRIORITY MARKETS
INQUIRY IN TERMS OF SECTION 4B OF THE INDEPENDENT
COMMUNICATIONS AUTHORITY OF SOUTH AFRICA ACT OF 2000**

Date of issue: 08 August 2017

1. Purpose

- 1.1. The Independent Communications Authority of South Africa ("the Authority") would like to thank Vodacom, Cell C, MTN and ISPA for submitting the questions of clarity in respect of Phase 1 (Market Study) of the Priority Markets Inquiry, Government Gazette No. 40945, published on 30 June 2017.
- 1.2. The purpose of this briefing note is to provide the Authority's responses to questions of clarity on the Market Study or Phase 1 of the Priority Markets Inquiry (including list of local & international precedent used).
- 1.3. All communications relating to this inquiry must be directed to the Chairperson: Priority Markets Committee by email at prioritymarkets2017@icasa.org.za.



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2. Questions of clarity and the Authority's responses

#	Question	Response
1	Can ICASA give an indication of the markets it is estimating might constitute priority markets, based on its views of the markets? Does ICASA have an upper limit in mind?	The number of priority markets will be dependent on the outcome of this inquiry process.
2	Does ICASA have any specific benchmarks for a respondent to consider before referring to a specific market? In other words, can ICASA indicate with more specificity which markets it considers most likely to be markets requiring review, so that respondents can focus on those rather than raising markets for consideration which may not be as problematic?	See our response to question 1.
3	Section 2, question 14 requires cost information. Defining markets does require information about costs at this stage, so could ICASA clarify the need for this request?	This question is relevant to customers, with the intention of determining whether the input in question constitutes a major input cost. It is not a broad request for cost data, nor is it to be used to define markets.
4	In question 18, it is unlikely anyone will know the answers as to why a third party is not supplying products or services. The question may not be useful to ICASA in defining markets at this early stage.	The point of the question is not to define markets. The objective of the questions is to determine if there is demand for a product or service, where an active market does not currently exist and how this might impact on competition.

#	Question	Response
5	If a respondent is a customer, seller and a "business", should the respondent address all the questions, or does ICASA only want the entity to address those it considers are most applicable to it? In addition, clarity is sought on what is meant by a "business"?	Questions 11 - 19 are applicable for each of the broad product or service areas where a respondent cites itself as a customer; questions 20 - 28 are applicable for each of the broad product or service areas where a respondent cites itself as a seller, questions 29 - 30 are applicable for each of the broad product or service areas where a respondent cites itself as a future potential seller. Questions 32- 40 should be answered for the broad product or service areas that are relevant to the respondent either as a customer or a provider (seller or future seller). "Business" is simply used to mean a firm.
6	The answer to question 20 from a mobile communications point of view may be rather involved at this early stage in our view. MNO's offer hundreds of packages in a 5-year period, some of which will not even be available any longer. If ICASA's intention is to establish whether the practice of on-net off-net differential is for the top 5 products offered by every MNO with the number of customers, and compare this in due course with the its effective cost. However, this may still not effectively contribute to defining a product or service market.	The purpose of question 20 is to determine the main products/services provided by the respondent. The data requested in questions 22 and 23 are not required by tariff plan but at a more aggregated level according to classifications appropriate for each respondent. For a mobile network operator, this may include: prepaid/postpaid/hybrid/data-only packages and any further relevant categories such as business and residential, for example.
7	Clarity on why ICASA has chosen a 5-year backwards and forwards looking time horizon? The 5-year time horizon for the forward-looking exercise may be too long in our view. It is recommended that a 3-year period is far more appropriate in a fast-changing sector where technology is constantly evolving.	The 5-year backwards assessment is regarded by ICASA as an appropriate timeframe to determine past trends for the purpose of this Priority Study. ICASA is agreeable to the proposed 3-year forward looking period based on international precedent and given the dynamic nature of the electronic communications market.
8	Clarification on the use of the term "market segmentations" in Table 1 of the Authority's questionnaire. Table 1 is not demonstrative of market segments. It is rather a classification of (<i>inter alia</i>) products/services of various technical mediums. These product/service classifications do not constitute identified markets or market segments.	See 2.2 of the Notice, GG 40945 and Section 1 of the Questionnaire refer. To provide a framework for the Priority Study, a list of possible market segmentations is provided as a starting point for the Study. The scope of the market segments, including geographic scope, are largely informed by local and international

#	Question	Response
9	Please provide the economic framework the Authority will rely upon in identifying the market/market segment. The economic framework for this market identification process is currently unclear as to whether it follows section 67 (4) process in terms of the ECA. It is difficult to comment on the questionnaire without understanding the basis of the identified market/market segment.	precedent, which apply economic principles for defining markets. (A list of cases reviewed is provided). Respondents are invited to comment on the market segmentations provided, which will shape how the markets are defined for the purpose of this Study. To the extent that a respondent does not consider the market segmentations to be correct, the respondent is invited to indicate why it disagrees and also propose alternative market segmentations. Further, if ICASA elects to conduct a market review for any one of these markets, a full market definition enquiry would follow and respondents will again have an opportunity to comment on the markets proposed.
10	Notwithstanding the concern raised above regarding the identified market/market segment, clarification is sought on the economic methodology employed in reaching the suggested geographic scope of the service or products provided in Table 1. Please clarify if the Authority considered the geographic scope based on similar competitive conditions, which may include the presence of competitors, the likelihood of entry or the presence of alternative infrastructures?	
11	Clarification on the objective of question 18 and 19 as it suggests that the Authority appears to implement an "open network" approach which guarantees access wherever a competitor wants to access the network. This approach ignores the basic fact that communication networks are private property, thereby denying the central conflict between competition (that is access) and property rights (that is the free choice of trading partners).	The interpretation is incorrect. The objective of the questions is to determine if there is demand for a product or service, where an active market does not currently exist and how this might impact on competition.
12	It is unclear why the Authority requires historical data as far back at 2012, in view of the fact that the Authority intends to conduct forward looking markets reviews in terms of section 67(4) of the ECA. We further need to point out practical implications of this historical data request. It could take up to approximately 45 business days (for data between 1 to 2 years old) to be extracted.	The data is not required by tariff plan, but at a more aggregated level according to classifications appropriate for each respondent. For a mobile network operator this may include: prepaid/postpaid/hybrid/data-only packages and any further relevant categories such as business and residential, for example.
13	Regulatory action can only be used following the identification of SMP and the lack of effective competition in a relevantly defined market. The cost of imposing the remedy must be weighed up against the benefits the remedy is expected to bring, as well as the costs and benefits of alternative remedies that may be considered. In this regard, more clarity is requested on the Authority's objective for question 35.	See 2.4 of the Notice, GG 40945. The objective of this question is not to develop/ impose pro-competitive remedies on licensees but to solicit views and opinions from stakeholders whether regulatory action can be used to reduce the barrier to entry, if necessary
14	Please explain on what precise bases the Market Study is regarded as an appropriate basis for determining the need for a Chapter 10 review?	See section 1 of the Notice, GG 40945, and also section 67(4) of the ECA.

#	Question	Response
15	<p>The Authority is requested to confirm that, whatever the “findings” resulting from this inquiry, these will not be binding with respect to, nor in any way determine the outcome of, the following matters that will be determined solely by a market inquiry as contemplated by section 67(4):</p> <p>a. The boundaries and characteristics of any product and geographical markets or market segments, including the identity of participants in such markets or market segments;</p> <p>b. Whether and to what extent any defined markets or market segments entail ineffective competition, when assessed in terms of section 67(4A) of the ECA;</p> <p>c. Whether and to what extent any licensees in any defined markets or market segments possess SMP;</p> <p>d. Whether any pro-competitive conditions are required in any defined market or market segments, and, if so, what such conditions are.</p>	See section 2 of the notice, GG 40945.
16	<p>Given the above, and given that no prior findings that are not the product of any market inquiry may have any legal force in relation to the matters that must be determined as the product of a market inquiry conducted in terms of section 67(4), read with sections 4B and 4C of the ICASA Act, the Authority is requested to clarify and elaborate upon the precise way in which it envisages that “the findings made by the Authority at the conclusion of the inquiry will inform the exercise in due course</p>	See sections 2 and 3 of the notice, GG 40945.
17	<p>Apart from information, opinions and views obtained from stakeholders, what are all the factors, inputs and evidence that the Authority will take into account to identify and prioritise broad markets/segments that are generally prone to ex ante regulation? In particular, or at least, what criteria will the Authority employ and what are the sources for these criteria?</p>	ICASA will consider relevant information and evidence, including third-party research or similar studies in other jurisdictions.
18	<p>The above process effectively leaves stakeholders with only 20 working days to consider the then “clarified” Notice and Questionnaire respond as we may not be able to action some of the data requests in response to the questions without the required clarification. It is requested that an extension of at least 25 working days to account for this and the effort associated with the Inquiry in general be considered by the Authority.</p>	The Authority grants an extension of the submission date for the questionnaire by 25 working days from the initial submission date.

#	Question	Response
19	What criteria, framework, methods and processes will the Authority apply in considering and evaluating the requested opinions and views to identify markets susceptible to ex ante regulation? Precisely how will it be applied?	ICASA may use three criteria test to identify markets prone to <i>ex ante</i> regulation.
20	What criteria, framework, methods and processes will the Authority apply in considering and evaluating the requested opinions and views to prioritise markets? Precisely how will it be applied?	The Authority may use the criteria set out in the Guidelines for conducting market reviews.
21	What methods and processes will the Authority apply to filter opinions and views and/or to resolve conflicting views and opinions? Precisely how will it be applied?	ICASA will consider all opinions and views submitted by stakeholders irrespective of conflicting interests of such opinions and views.
22	What will “other research and benchmarking exercises” comprise of?	ICASA may use third-party research, international benchmark of similar study by other jurisdictions, complaints received by the Authority, etc.
23	At which stage of the process will stakeholders have an opportunity to comment on the appropriateness and/or validity of such research and benchmarks?	After publication of Discussion Document for public comment.
24	What methods and processes will the Authority apply when considering the different, and possibly conflicting, inputs, i.e. the views and opinions obtained through this Inquiry (which in itself may be conflicting) and other research and benchmarks? Precisely how will it be applied?	See our response to question 20.
25	If the Discussion Document includes the proposed list of markets from Phase 1, at which stage will the Authority consider other research and benchmarks? How will the proposed list of markets from Phase 1 be adapted for these other inputs?	The Discussion Document will be informed by information submitted by stakeholders, third-party research, international precedence, views and opinions obtained through this inquiry process, etc.
26	What are the criteria, and all the factors and evidence that will be considered to inform the Authority's rationale?	See our response to question 20.
27	Throughout the information request the Authority refers to “broad markets”, “markets” and “market segments”. Please provide a definition of these different terms and explain how they relate to the concept of market identification/definition?	See 2.2 of the Notice, GG 40945 and Section 1 of the Questionnaire. To provide a framework for the Priority Study, a list of possible market segmentations is provided as a starting point for the Study. The scope of the market segments, including geographic scope, are largely informed by local and international

#	Question	Response
28	Which local and international precedent was considered to derive the market segments set out in Table 1? Please provide the specific references and examples.	precedent, which apply economic principles for defining markets. (A list of cases reviewed is provided). Respondents are invited to comment on the market segmentations provided, which will shape how the markets are defined for the purpose of this Study. To the extent that a respondent does not consider the market segmentations to be correct, the respondent is invited to indicate why it disagrees and also propose alternative market segmentations. Further, if ICASA elects to conduct a market review for any one of these markets, a full market definition enquiry would follow and respondents will again have an opportunity to comment on the markets proposed.
29	In the context of market reviews, international best practice suggests that retail markets are defined first (based on demand and supply side substitutability) and then the relevant wholesale (infrastructure) markets be defined based on the required inputs to deliver each retail downstream service. The Authority is requested to confirm that this is in line with its approach and if so, explain how this is reflected in its list of market/market segments in Table 1 and Annex 1.	
30	Please provide a mapping of each upstream infrastructure/wholesale market to the relevant retail downstream market(s)).	
31	Throughout this section stakeholders are requested to indicate whether they agree or disagree with the proposed broad market segmentation and the possible further segmentation provided. What criteria, framework, and method should stakeholders apply when assessing the proposed broader and further market segmentation proposed? Precisely how should they be assessed? Is it from a pure commercial perspective?	
32	“Question 1” and “Question 4” – Question 1 asks stakeholders to indicate whether they agree or disagree with the proposed broad market segmentation and the possible further segmentation provided. Question 4 asks stakeholders, in the case of disagreement with the broad market segmentation, to indicate whether the further segmentations should apply. Please clarify in detail what is required in terms of “further segmentation” and provide example/illustrative response using “5.1 Retail supply of mobile services” as basis.	The broad market is identified as the "Retail supply of mobile services". The further segmentation refers to segmentations by product type (voice/data/SMS); user type (business/residential/machine-to-machine); and contract type (prepaid/postpaid)
33	Question 6 states that ICASA considers that the geographic market definition for “fixed infrastructure roll-out” is more disaggregated than national. Is residential fixed broadband included within the definition of “fixed infrastructure roll-out”?	Fixed infrastructure includes infrastructure rolled out to residential customers. If the respondent disagrees, it is invited to outline an alternative approach that should be considered, including supporting reasons.

#	Question	Response
34	Where would services provided by state owned entities and metros be incorporated? For example, the WiFi service provided by the Municipality of Cape Town? Or fibre rings provided by Gauteng provincial government?	It has not been explicitly incorporated in Appendix 1. If the respondent disagrees, it is invited to outline why publicly-provided WIFI services and fibre should be included, with supporting reasons.
35	International outgoing call and messaging services are not explicitly covered in any market segmentation. Please confirm whether these retail and wholesale services will be considered in this market review and if so, how. If not, why not?	International calls are included as a sub-segment under 4.1. The respondent is invited to outline if international calls should also explicitly be provided for under other market segments, providing supporting reasons.
36	"1. Upstream infrastructure" and "2.3 Wholesale services" - What are the differences between these categories? Is the Authority considering defining separate segments for "passive" infrastructure access services and "active" wholesale services delivered over this infrastructure? What would be the definition for 'passive' and 'active' in this context?	Upstream infrastructure is intended to cover the provision of physical infrastructure. This infrastructure can still be provided on a managed basis. Wholesale services (fixed line or mobile) covers services delivered over the infrastructure on a wholesale basis. If the respondent disagrees, it is invited to outline alternative segmentations that should be applied, including supporting reasons.
37	"1. Upstream infrastructure" - duct access is excluded from this section. Please clarify why this is the case.	Duct access would be included in "1. Upstream infrastructure". The respondent is invited to outline if duct access should be explicitly provided for as a distinct market segment, providing supporting reasons.
38	"1.1 International transmission services" and "1.2 National transmission services" - What is the exact demarcation point between these categories? In particular, where or as what would cable landing stations be captured?	For the purpose of this study, the landing cables are included as part of international transmission services. If this respondent disagrees, it is invited to outline if landing cables should be treated as a distinct market, providing supporting reasons.
39	"1.1 International transmission services" – Does this segment exclude terrestrial and satellite connectivity?	The definition is limited to connectivity over submarine fibre optic cables. The respondent is invited to outline if additional services should also be included in the definition and whether they should be considered separate market segments, providing supporting reasons.
40	"1.2 National transmission services", "1.3 metropolitan connectivity" and "1.4 Access services" - What are the exact demarcation points between these categories?	National transmission lines connect switches / points of presence of the communications provider. Metro fibre ring services aggregate traffic within a metropolitan area and transmit that traffic to and from the larger metropolitan switches/ points of presence.

#	Question	Response
41	“1.3 Metropolitan connectivity” - Please define “metropolitan” and confirm whether it is limited to fibre only or does it include all forms of connectivity including fibre provided by Metros? Are rural metros excluded?	From these switches/PoPs the traffic may be routed to other parts of the same metropolitan area, to other licensed operators or along national transmission lines to other cities. Access services provide connectivity between the customer premises and the nearest switches/points of presence on the metro fibre ring. If the respondent disagrees, it is invited to outline the different demarcation points that should be applied, providing supporting reasons.
42	“1.4 Access services” - Please define “last mile” and confirm whether it includes pre-aggregation and aggregation nodes and networks.	Access services is defined to include connectivity between the customer premises and the nearest switches/points of presence on the metro fibre ring and therefore refers to the part of the network up to the aggregation node. If the respondent disagrees, it is invited to outline an alternative approach that should be considered, including supporting reasons.
43	“1.5 Mobile radio access network (RAN) services” - The appendix 1 definition of Mobile radio access network (RAN) services include spectrum sharing. Please provide more a detailed definition, and examples on what services are referred to here.	The provision of mobile RAN services includes all potential aspects of access network infrastructure that could form part of a sharing agreements including: passive elements (i.e. masts sites, cabinet, power, conditioning), active access network equipment (i.e. antenna, node, radio network controller elements) and potentially spectrum sharing. The respondent is invited to outline if an alternative approach that should be considered, including supporting reasons.
44	“2.1 Wholesale local access” - Please provide more detail and examples on what services will fall under this category.	Wholesale local access refers to the connection from the local exchange to the end-user. This includes wholesale products that provide physical and local unbundling access. The respondent is invited to outline if an alternative approach should be considered, including supporting reasons.

#	Question	Response
45	“2.4 Wholesale asymmetric broadband origination”, “2.5 Wholesale internet connectivity” and “2.6 Wholesale internet access” - Please explain in more detail what the difference is between these categories and on what basis these have been divided. Please provide examples of each.	Market 2.4 includes services that provide asymmetric broadband access, such as bitstream services; 2.5 refers to peering and transit arrangements amongst ISPs; 2.6 refers to wholesale internet services provided by first tier ISPs (such as Telkom) to resellers (such as MWEB). The respondent is invited to outline if different segmentations should apply and provide an alternative distinction if more appropriate, providing supporting reasons.
46	“3.1 Wholesale mobile network access” and “3.2 Wholesale mobile network services” - Please explain in more detail what the difference is between these categories and on what basis these have been divided? Please provide relevant examples.	Market 3.1 relates to services provided to other MNOS, including MVNOs, whereas market 3.2 relates to wholesale mobile access services provided to other licensed operators who are not MNOs. The respondent is invited to outline if this distinction should apply and provide an alternative distinction if more appropriate, providing supporting reasons.
47	“3.3 Mobile termination - Voice call termination” - In terms of Government Gazette 40911 the Authority is currently in the process of reviewing the call termination regulations of 2014. With regard to voice call termination services, what is the difference between the two ICASA processes? Why duplicate the assessment?	The Priority Study is not a review and will not determine call terminations rates. The two processes and assessments are not duplicated.
48	“3.3 Mobile termination - Voice call termination” - In terms of the above Gazette the Authority is proposing to exclude calls originated from abroad from the wholesale voice call termination market. Is this call type also excluded from Table 1?	It is excluded. If the respondent disagrees, it is invited to outline why this should be included, providing supporting reasons.
49	“3.3 Mobile termination – SMS termination” - Does SMS termination include only Person-to-Person SMS?	It would include all SMS termination services. The respondent is invited to outline if the market should be segmented by SMS termination type, providing supporting reasons.
50	“4.3 Asymmetric broadband internet access” – Where is symmetrical broadband internet access included?	It is included under 4.4 Leased line internet access. If the respondent disagrees, it is invited to outline an alternative approach that should be considered, including supporting reasons.
51	“4.4 Leased lines internet access” and “4.6 Leased lines” - What is the exact distinction between these categories?	Market 4.4 refers to broadband internet, accessed via leased lines, whereas 4.6 refers to point-to-point transmission services used to connect customer sites. The respondent is invited to outline an alternative approach that should be considered, including supporting reasons.

#	Question	Response
52	“5.1 Retail supply of mobile services” - Does this category include hybrid tariff plans? If not, where is it included?	Hybrid plans are included. If the respondent disagrees, it is invited to outline if a separate market for hybrid plans should be included, providing supporting reasons.
53	Throughout this section the Authority refers to “Purchase of electronic communications products and services”. What is the definition of electronic communications products and services with reference to the ECA? Are these only products and services obtained from other licensees?	The term 'electronic communications' is defined in the ECA. Appendix 1 specifies the electronic communications products and services relevant to the Priority Study. Only products and services as obtained from other licensed operators are relevant.
54	“Question 7” - asks for “current activities of your business as they relate to product and services”. Please clarify what is required here and provide examples using mobile services as basis. Would this include, for example, the building of sites, or the building of a network using spectrum, or ...?	The objective of this question is to locate the respondent within the electronic communications sector along the market segments provided in Appendix 1. For mobile services, the respondent would describe the nature of their business as they relate to the supply of mobile services (5.1)
55	“Question 11” – Operators commonly make use of many suppliers and providers. These suppliers can either be licensed or non-licensed suppliers and providers. Should the list only include products and services purchased or leased from other licensees? Does the Authority require a response covering all suppliers and providers regardless of materiality? Please clarify if this question relates to capacity only, equipment and/or services or a combination of all.	This question relates to the products and services included in Appendix 1 where the respondent has cited itself as a customer and where purchases are from licensed operators. ICASA is agreeable to restricting the response to products/services and suppliers/providers that are regarded as material to the business of the respondent.
56	“Question 14” – What is the definition for “major” input cost? Is there any specific threshold? Is a % of total cost required or absolute values and how should it be reflected?	A major cost is non-trivial and has a material bearing on the costs of a business. ICASA does not have a specific threshold. The answer can be provided as a proportion of total cost.
57	“Question 16” - Please clarify “impact on the market” and provide examples of impacts that will qualify.	Impact would include a number of factors, including whether the entrant has been able to grow and increase market share, whether there has been an impact on prices or quality of service, etc.
58	“Question 17” - Please define and clarify “self-supply”. Does it include elements/components obtained from other licensees to self-supply?	Self-supply refers to the self-provision of wholesale inputs. Self-supply can still include elements obtained from other licensees.
59	“Question 18” - Please clarify how “capacity to supply the products or services” at a wholesale level is defined. What will determine or be the criteria applied in evaluating whether a firm would have the capacity to provide wholesale services?	This question is relevant to customers and therefore the response would be based on a customer's knowledge of the capability of other firms to supply on a wholesale basis (the question does not ask about the capacity of firms to supply).

#	Question	Response
60	“Question 22” - For some services, such as retail mobile services, there are a large number of tariffs, which have changed considerably between 2012 and 2016. Would it be acceptable to provide more aggregated pricing data than information at the tariff-level?	The data is not required by tariff plan, but at a more aggregated level according to classifications appropriate for each respondent. For a mobile network operator this may include: prepaid/postpaid/hybrid/data-only packages and any further relevant categories such as business and residential, for example.
61	“Question 24” – There are many factors impacting on capacity by individual network element across all logical network elements. Using a mobile network as an example, please explain precisely what is required in terms of this question for each of the logical network elements.	The question pertains to upstream network infrastructure and can be provided separately for national, metropolitan and access services. It would include fibre that is rolled-out as part of a consortium. The respondent can determine the most appropriate method for determining capacity. In the case of fibre, for the purpose of this study, it is sufficient to provide capacity in terms of fibre kilometers. In the case of the radio access network it is sufficient to provide the number of sites by technology (i.e. LTE, 3G, 2G etc.)
62	“Question 25” - What is the definition for “main competitor”? How would this be measured given that each operator only has access to its own actual data?	Main competitors are those competitors who exert a significant competitive constraint on a firm and would exclude fringe competitors. This can be answered based on a respondent's own experience of the market and any other market intelligence it gathers in the ordinary course of business.
63	“Question 26” - Please clarify and provide examples of “impact on the market and on your business”.	Impact would include a number of factors, including whether the entrant has been able to grow and increase market share, whether there has been an impact on prices or quality of service, etc.
64	“Question 27” - For which market should the information be provided, and how should market shares be calculated? How should market shares be derived if an operator only has access to the actual data of its own services? Does market share relate to a national share or a more limited geographic area?	This question should be answered for all of the markets where the respondent has cited its business as a 'seller'. Market share estimates would be based on a firm's own knowledge of the market, including any external reports it may have commissioned for the purpose of estimating shares.

#	Question	Response
65	Certain markets are currently regulated in terms of the ECA and Regulations (e.g. Facilities Leasing, Wholesale voice call termination market, interconnection, etc.). How will current regulations impact on the Authority's identification and prioritisation of markets?	To the extent that ICASA already regulates certain markets (such as in the case of call termination), these markets will continue to be regulated by ICASA. The Priority Study will identify and prioritise additional candidate markets for regulation. This may include markets that are already subject to some form of regulation, but where the regulation is identified as inadequate.
66	In terms of the Guidelines for conducting market reviews, the Authority will identify priority markets based on, amongst others, the need to regulate at the source of the potential problem ¹ . It is requested that the Authority to confirm what its approach will be in this regard to prioritise markets. This question is subject to the proposition that the definition of the boundaries of markets must be the product of a review in terms of section 67(4) and cannot in any way be the product of an inquiry like the envisaged priority market inquiry	The Authority may use the criteria set out in the Guidelines for prioritising markets.
67	"Question 36" asks about the short-term impact on prices of regulatory action. However, it is also important to consider the medium- to long-term impact on prices of regulatory action. Why has this been excluded from ICASA's question and how does ICASA define what is meant by "short-term"?	See 2.4 of the Notice, GG 40945. Any regulations that may be imposed following a market enquiry would also consider the medium-to long-term impact of imposing such remedies. For the purpose of this Priority Study, short-term is considered to be within the next three years.
68	Is the Authority of the view that it is required by the provisions of the ECA and/or any related legislation to undertake or complete the process contemplated in the Priority Markets Notice before it can commence an investigation under section 67(4) of the Electronic Communications Act 36 of 2005 ("the ECA") into any specific market?	See paragraph 2.2 of the Notice, GG 40945.
69	Would it be legally permissible to conduct the priority markets study process and an investigation into a specific market under section 67(4) of the ECA in parallel?	Priority markets study does not preclude the Authority from identifying markets or market segments susceptible to <i>ex ante</i> regulation and conducting a market review process on a market-by-market basis.

#	Question	Response
70	What is the position of the Authority with regard to the policy direction issued by the Minister of Telecommunications and Postal Services (“the Minister”) to the Authority “to prioritize the commencement and conclusion of an inquiry and the prescription of regulations as contemplated in section 67(4) of the Electronic Communications Act to ensure effective competition in broadband markets”?	The Authority has considered the policy directive in terms of section 3(4) of the ECA. As already alluded above, priority markets study does not preclude the Authority from identifying markets or market segments susceptible to ex ante regulation and conducting a market review process on a market-by-market basis.
71	Is it the position of the Authority that the market for wholesale mobile broadband services and/or the retail market for mobile broadband services is/are not (a) priority market(s)?	Identification of priority markets will be dependent on the outcome of this inquiry process.



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Local and international precedent used

Reviews/Case precedent		
Authority	Title	Year
ICASA	Regulations pursuant to section 67(4) of the Electronic Communications Act No. 36 of 2005	2005
	Notice of intention to define relevant end to end leased lines and other wholesale markets in terms of section 67(4) of the Electronic Communications Act 36 of 2005, General Notice 529 of 2007	2007
	Electronic Communications Facilities Leasing Regulations	2010
Ofcom	Call Termination Regulations, 2014	2014
	Consultation on assessment of future mobile competition and proposals for the award of 800MHz and 2.6GHz spectrum and related issues	2009
	Review of the wholesale broadband access markets Statement on market definition, market power determinations and remedies	2010
	Review of the wholesale fixed analogue exchange lines markets Consultation on the proposed markets, market power determinations and remedies	2010
	Review of the wholesale local access market - Statement on market definition, market power determinations and remedies	2010
	Review of the wholesale broadband access markets - Consultation on market definition, market power determinations and remedies.	2013
	Review of the fixed narrowband services markets - Statement on the proposed markets, market power determinations and remedies	2013
	Business Connectivity Market Review	2013
	Review of the Wholesale Broadband Access Markets: Statement on market definition, market power determinations and remedies	2014
	Fixed access market reviews: wholesale local access, wholesale fixed analogue exchange lines, ISDN2 and ISDN30 Volume 1: Statement on the markets, market power determinations and remedies	2014
	Business Connectivity Market Review - Review of competition in the provision of leased lines	2015
	Mobile call termination market review 2015-18 Statement on the markets, market power determinations and remedies.	2015
	Business Connectivity Market Review – Volume I - Review of competition in the provision of leased lines	2016
	Narrowband Market Review Consultation on the proposed markets, market power determinations and remedies for wholesale call termination, wholesale call origination and wholesale narrowband access markets	2017

Reviews/Case precedent		
Authority	Title	Year
European Commission	Commission Recommendation on Relevant Product and Service Markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic communication networks and services	2003
	Commission Staff Working Document Explanatory Note - Accompanying document to the Commission Recommendation on Relevant Product and Service Markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic communications networks and services	2007
	Commission Staff Working Document Explanatory Note Accompanying the document Commission Recommendation on relevant product and service markets within the electronic communications sector susceptible to ex ante regulation in accordance with Directive 2002/21/EC of the European Parliament and of the Council on a common regulatory framework for electronic communications networks and services	2014
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Ends...

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