

## COMMENTS ON SUBSCRIPTION TV DISCUSSION DOCUMENT

1. Capricorn Community Concepts welcomes the opportunity to submit comments on discussion document subscription television.
2. We are involved in broadcasting, media research and training amongst other things.
3. From the outset, we hereby state that the subscription tv market in South Africa is not competitive and there is a mountain of barriers to entry as it demonstrated by the collapse of Top tv / Star sat.
4. The licensing framework of subscription tv is derived from sections 5(2)(b) and 5(3)(b) and 5(5)(b) of the ECA.
5. The above provisions allow for subscription television with national or regional scope.
6. We hereby submit that the Authority must enable applicants to apply for subscription television service on a provincial or regional level in line with other jurisdictions like the USA.
7. It is common cause that Multichoice is the defacto "monopoly" in the subscription market. The other small players like Star sat and deukom have very little market share.
8. The Authority has to therefore conduct an analysis of the market power of Multichoice and the possible abuse of its market power or dominance as contemplated in Section 67 of the ECA.
9. The Authority set out pro-competitive measures in order to promote competition in the subscription television market.
10. The Authority must also introduce monitoring systems to monitoring implementation of pro-competitive measures and to monitor anti-competitive practices.
11. If the Authority does not conduct the above-mentioned analysis, the subscription will remain uncompetitive and difficult for new players to enter the market.
12. We submit the decoders of multichoice or any other subscription television service provider must be declared an essential facility as envisaged by ECA. This will remove barriers to entry for new players as in telecoms wherein any mobile or isp can offer telecoms service through any smartphone or normal phone.
13. We hereby submit that Multichoice must be unbundled to reduce its market power/dominance as a way of promoting competition in the subscription television market.
14. Lastly, Section 5 of the ECA also provides for Community Subscription Television. We hereby propose that the Authority introduce a regulatory framework, which will enable, regional, Provincial and National Community Subscription Television Licenses.
15. In summary, our submission is that the Authority must conduct the Section 67 processes, in order to allow the subscription television market to flourish.
16. We hereby request an opportunity to make oral presentation during any public hearing that the Authority may hold.