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Ms. Violet Molete

Independent Communications Authority of South Africa (ICASA)

350 Witch-Hazel Avenue

Eco Point Office Park

Eco Park

CENTURION

Per email: subscriptioninquiry@icasa.org.za / vmolete@icasa.org.za

Dear Ms Molete

23 August 2019

RE: WRITTEN COMMENTS ON THE DRAFT FINDINGS DOCUMENT ON THE INQUIRY INTO SUBSCRIPTION TELEVISION BROADCASTING SERVICES

1. eMedia Investments thanks the Authority for the opportunity to make written submission on the Draft Findings Document on the Inquiry into Subscription Television Broadcasting Services (“the Draft Findings Document”).
2. eMedia Investments would like to state that it broadly agrees with the findings as contained in the Draft Findings Document. In this regard, we will be making comments on specific sections of the Draft Findings Document.

Recent and future developments that have an impact on broadcasting services.

3. On the advent of over the top (“OTT”) service providers in South Africa, the Authority found that their impact is still muted, given the relatively limited level of Internet access, the high cost of data and low average Internet speeds. The lack of access to local content and sports content limits the rapid growth



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of OTTs in South Africa. As a result OTTs are seen as an out of market constraint on subscription television services.

4. Whilst we agree that the current policy environment OTTs have little impact, eMedia Investments is of the view that the Authority need to take a long term view on this matter so as to create regulatory certainty. eMedia thus submit that OTTs will, as the cost of data reduces, access to Internet increases and digital content is made available en masse, their impact on the subscription and the broadcasting industry as a whole will be felt. It is our submission that the Authority should reconsider its position on this issue and make a determination. This view is supported by the fact that OTTs are here and will be here for years to come and the Authority must consider introducing regulatory interventions in order to ensure parity.
5. eMedia Investments welcomes:
 - 5.1. the Authority's finding with respect to the distinction between premium and non-premium content as contained in its Draft Findings Document and would want to see these being carried into the final document.
 - 5.2. the Authority's process to review the Must Carry Regulations and will participate in the process once it begun in the near future.
 - 5.3. the consideration by the Authority as to what constitute premium content, which includes major live soccer, rugby and cricket matches as identified in section 1.3.13 of the Draft Findings Document. In this regard, we would like to urge the Authority to work with the necessary speed to conclude and promulgate the review of the Sports Broadcasting Regulations taking into account the need to balance public and commercial interests.
 - 5.4. the Authority is enjoined to identify players with significant market power upon whom licence terms and conditions may be imposed to remedy



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the ineffectiveness of competition. In this regard eMedia Investments is pleased to note that the Authority has found Multichoice to possess significant market power on the basis of high market shares and the nature of its vertical integration, which the Authority considers to harm competition. eMedia Investments is therefore in support of the proposed license terms and conditions, which in our view will be appropriate to deal with the ineffective competition in the relevant markets.

6. Lastly, eMedia Investments once again thanks the Authority for the opportunity to comment on the Draft Findings Document: Inquiry into Subscription Television Broadcasting Services and looks forward to participating in the further stages to be undertaken by the Authority.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'Ndivhuho', written over a horizontal line.

Mr. Ndivhuho Norman Munzhelele

Group Head: Regulatory and Strategy