

# PROGRESSIVE BLACKS IN ICT (PBICT)

## FORMAL SUBMISSION TO ICASA

### Inquiry into New Individual Electronic Communications Network Service (I-ECNS) Licences

**Date:** 16 February 2026

To:

#### The Project Manager: I-ECNS Inquiry

Mr Peter Mailula

Independent Communications Authority of South Africa (ICASA)

350 Witch-Hazel Road

Eco-Park

Centurion

0157

South Africa

#### Email submissions to:

iecns-inquiry@icasa.org.za

pmailula@icasa.org.za

## 1. Introduction

The Progressive Blacks in ICT (PBICT) appreciates the opportunity to make submissions to the Independent Communications Authority of South Africa (ICASA) regarding the Inquiry into new Individual Electronic Communications Network Service (I-ECNS) licences.

This submission is informed by:

- Structured consultation with PBICT members across provinces,
- Survey responses from network operators, ICT SMMEs, and professionals,
- Sectoral experience in fibre, wireless, and last-mile infrastructure rollout,
- Policy analysis of the Electronic Communications Act and related regulatory instruments.

The consultation process reflects PBICT's commitment to ensuring that regulatory outcomes are informed by the practical realities of market participants, particularly black-owned ICT enterprises and emerging network operators.

## 2. Market Structure and Entry Barriers

Survey inputs confirm that the South African electronic communications sector remains structurally concentrated despite the high number of licences formally issued.

Members consistently identified the following as key barriers:

### 2.1 Licence Acquisition Costs

The secondary market for ECNS/ECS licences functions as a de facto gatekeeping mechanism. Members reported:

- Licence purchase prices beyond the reach of SMMEs,
- Transaction structures requiring bundled ECNS/ECS acquisition,
- Legal and compliance costs that disproportionately burden smaller firms.

This creates a structural paradox: formal licence availability exists, but effective entry remains constrained.

### 2.2 Infrastructure Access Constraints

Respondents highlighted that obtaining a licence does not automatically translate into market participation. Entry viability depends on:

- Access to affordable backhaul,
- Wholesale fibre and transmission capacity,
- Tower and site availability,
- Internet exchange connectivity,
- Interconnection arrangements.

Without enforceable wholesale access, licensing reform alone will not meaningfully alter competition dynamics.

## 3. Demand for New I-ECNS Licences

Survey responses indicate a clear and consistent view that there is demand for new licences, particularly among:

NATIONAL EXECUTIVE COMMITTEE (ELECTED: 31/05/2025) #AccessAndOwnership

President: Mr Welcome Magagula • Chairperson: Mr William Ledwaba • Secretary General: Mr Luvo Grey • Treasure General: Mr Larry Smith  
Deputy President: Ms Pindiwe Ntuli • Deputy Chairperson: Ms Jacky Mokobaki • First Deputy Secretary General: Ms Alidean Makaba • Second Deputy Secretary General: Mr Sipiwe Maname • Deputy Treasure General: Mr Mandla Phungula

Access and Ownership Coordinator: Victor Bergman • Internet For All Coordinator: Mr Samukelo Khomo • Gate Keepers Must Fall Coordinator: Mr Ohentse Toto • 4IR Steamie Coordinator: Mr Ndimiso Ngcobo  
Local is Moja Coordinator: Mr Njabulo Khanyile • WeAre PBICT Coordinator: Mr Bohlale Buzani • School by Day Varsity by Night Coordinator: Ms Simlindiwe Sambo  
Additional Members: Mr Sibongile Mbele, Ms Nomcebo Ngubane, Ms Lebogang Mogano, Mr David Manamela

- Regional wireless operators,
- Fibre deployment SMMEs,
- Cooperative and community network initiatives,
- Township broadband providers,
- Firms seeking to scale from service provision to infrastructure ownership.

Members emphasised that reliance on the transfer market:

- Delays entry timelines,
- Increases capital requirements,
- Introduces uncertainty regarding transaction completion,
- Concentrates ownership among incumbents and well-capitalised entities.

The controlled introduction of new licences is therefore viewed as necessary to enable structural renewal of the sector.

## 4. Competition Implications

PBICT submits that new I-ECNS licences could contribute positively to competition if supported by complementary regulatory measures.

Survey participants stressed that:

- Competition is constrained not only by licensing but by vertical integration,
- Smaller operators struggle to compete due to wholesale cost structures,
- Market access remains uneven across provinces,
- Infrastructure duplication risks can be mitigated through sharing frameworks.

Accordingly, PBICT recommends that any new licensing process be accompanied by:

1. Strengthened wholesale access enforcement
2. Mandatory infrastructure sharing obligations
3. Clear rollout requirements to prevent licence warehousing
4. Provisions supporting regional and community network models

## 5. Universal Access and Developmental Role

Consultation responses strongly emphasised the developmental potential of new I-ECNS licences.

Members noted that:

- Many underserved areas are served by small regional operators,
- Township and rural deployments are often led by SMMEs,
- Localised network models can expand coverage efficiently,
- Smaller operators often have stronger community alignment.

Licensing reform should therefore be framed not solely as a competition intervention but also as a developmental instrument supporting digital inclusion.

PBICT recommends that ICASA consider:

- Rollout incentives linked to underserved areas,
- Infrastructure partnerships with public broadband programmes,
- Recognition of cooperative or shared network ownership models,
- Alignment with national broadband objectives.

## 5. Regulatory and Environmental Considerations

PBICT acknowledges that increased licensing activity may create:

- Additional monitoring responsibilities,
- Municipal coordination pressures,
- Environmental approval complexities.

However, these risks can be mitigated through:

- Standardised infrastructure approval frameworks,
- National alignment on digital infrastructure planning,
- Streamlined municipal processes,
- Shared infrastructure deployment models.

## 6. Conclusion

Based on consultation with members and sectoral analysis, PBICT submits that:

1. The current transfer-based licensing system creates structural entry barriers.
2. There is demonstrable demand for new I-ECNS licences among emerging operators.
3. Licensing reform should be paired with enforceable wholesale access frameworks.
4. New licences can support both competition and universal access objectives.
5. Regulatory design should prioritise meaningful participation by black-owned ICT SMMEs.

PBICT remains committed to constructive engagement with ICASA to ensure that licensing reform contributes to a more competitive, inclusive, and development-oriented communications sector. We are further confirming our availability for the oral presentations.

Sincerely

