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**GSOA Submission to ICASA on Inquiry into new Individual Electronic Communications  
Network Service licences**

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**Mr Peter Mailula**  
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GSOA welcomes the opportunity to provide comments in response to the Consultation Notice on the Inquiry into new I-ECNS and I-ECS licences (“Consultation Notice”). We support regulatory measures that enhance competition in the satellite services market, while simultaneously advancing key national policy objectives, including the promotion of innovation, economic growth, efficient spectrum use, and the safeguarding of national safety, security, and sovereignty.

Our response draws on international practices to recommend measures that will open the market, promote competition, and ensure regulatory transparency.

GSOA is available to meet with the Authority to clarify any issues contained in this submission. Should the Authority decide to conduct public hearings on this matter, GSOA requests the opportunity to supplement the information in this submission at such hearings.

***Question 1.1. What are your views on the current licensing framework in relation to the sale and transfer of I-ECNS and I-ECS licences (section 13 of the ECA)? In particular, does the current licensing framework hinder or promote competition? In providing your response, please provide reasons supported by evidence or case studies, where applicable***

GSOA is of the opinion that the current licensing framework may restrict competition and market dynamism in the South African satellite services market. The sale of ECNS and ECS licences has resulted in a secondary market being created where current licence holders

*\*This submission does not reflect the views of Avanti Communications*

offering licences for sale are requesting exorbitant prices, and thereby restricting new entrants. The lengthy period of time that ICASA takes to approve the sale and transfer of licences may result in service providers looking to establish commercial operations outside of South Africa. Open and fair competition amongst satellite network operators and service providers, as well as regulatory certainty, are the main drivers for investment and innovation, benefiting the end-users. Regulations and policies that support the deployment of efficient, varied, and innovative solutions pave the way for the provision of communication services at competitive prices. To achieve this objective, ICASA should consider measures to enable new satellite service providers to enter the market while upholding national policy objectives concerning economic growth, efficient spectrum use, and ensuring national safety, security, and sovereignty. In contrast, the current South African licensing framework relies on internal sale and transfer markets. This reinforces the dominant incumbents' market positions, restricting entry by new satellite service providers .

***Question 1.2: In your view, should the Authority intervene in the current sale and transfer market to facilitate the purchase of existing licences? If yes, to what extent should the Authority intervene? Please motivate your response by providing reasons and any supporting evidence or data.***

GSOA argues that ICASA's intervention should focus on opening market entry and reducing administrative burdens, rather than preserving the current framework of licenses' sale and transfer.

While the sale and transfer option could continue to exist under ICASA's approval, it should not become the primary or default mechanism for new operators to acquire licenses. A more open licensing regime with clear, predictable requirements for new applicants will reduce reliance on secondary trading and facilitate broader competition. The new framework must ensure regulatory certainty, be transparent and support durable investments into South African network and services.

***Question 1.3: What other considerations or interventions would be useful for the Authority to consider regarding the effectiveness and efficiency of the current sale and transfer licensing framework so as to promote competition?***

To promote competition, GSOA proposes that ICASA adopt a streamlined licensing regime that lowers barriers to entry and aligns with international best practices. In particular:

- Limit administrative burdens and fees, particularly for SMEs and ICT start-ups. Licence application and transfer fees should be cost-based and remove unnecessary financial hurdles to entry. For instance, the current transfer fees (R 82 111.00 per licence) creates a financial barrier for emerging satellite service providers and should be reviewed.
- Consider alternate ownership requirements as these are outdated and may have an impact on competition. Section 9(2)(b) of the Electronic Communication Act requires, *inter alia*, that applicants include the percentage of equity ownership to be held by persons from historically disadvantaged groups, which must not be less than 30%, **or such other conditions** (emphasis added). To date, ICASA has relied solely on the 30% ownership criterion and has not considered other conditions such as the Equity Equivalent Investment Programme, which would allow operators to obtain licences without selling equity in their local operations.
- GSOA submits that the 30% local ownership requirement may be waived or adapted for satellite service providers that do not provide consumer satellite services, where international reach and infrastructure models differ fundamentally from terrestrial networks.
- Enhance regulatory predictability: Create published timelines for application handling and decision-making processes and ensure transparent assessment criteria.

**.Question 2.1: In your view, are there sufficient market opportunities to justify issuing new I-ECNS and I-ECS licences? Please motivate your response.**

Section 5(6) of the Electronic Communications Act whereby “*The Authority may only accept and consider applications for individual electronic communications network services licences in terms of a policy direction issued by the Minister in terms of section 3*” was promulgated in 2014. GSOA submits that this provision is obsolete, and that technological advances require that it be scrapped.

GSOA affirms that there are sufficient opportunities to justify issuing new I-ECNS and I-ECS licences. GSOA anticipates that new licences will foster innovation, expand network infrastructure (including satellite technologies), and improve services available to South African consumers and enterprises.

Based on the 2025 State of the ICT Sector Report of South Africa<sup>1</sup> demand for broadband connectivity is rising, indicating room for more infrastructure and service competition. This

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<sup>1</sup>[State of the ICT Sector Report of South Africa, 31 March 2025.](#)

finding is further confirmed by the high purchase prices demanded by I-ECNS and I-ECS licensees, a strong evidence of significant market demand for new individual I-ECNS and I-ECS licences which cannot be met under the current framework. Moreover, according to the same Report, improvements in network coverage are required as efforts must continue to ensure rural regions have access to the same opportunities as urban areas. Connectivity gaps, especially in rural/underserved areas, justify new entrants and new business models capable of deploying truly disruptive technologies, with potential to transform connectivity, drive economic growth and deliver significant public benefits such as geographical coverage in unserved or underserved locations.

Failing in issuing new licences may perpetuate the *status quo*, and increase the risk of the market to become further concentrated in the hands of few dominant economic players with little incentive to foster innovation. Diversity and investment should be encouraged to ensure South Africa remains at the forefront of digital transformation.

***Question 2.2: Have you, or are you aware of any licensee or interested party who has, considered or is considering launching or expanding network infrastructure or providing services in South Africa? What technologies, network architecture and/or spectrum frequencies do you think would be appropriate for any new I-ECNS licensees? Please provide examples or evidence where possible.***

TBD

***Question 2.3: If you are an existing licensee, did you acquire your I-ECNS and or I-ECS licences through the sale and transfer market (i.e. bought from another licensee) or did you obtain them directly from the Authority (not through transfer or change of ownership)? If acquired from the secondary market, please provide details on your experience.***

N/A

***Question 2.4: If you have/had I-ECNS and/or I-ECS licences, have you been approached or have you received unsolicited or solicited interest from an interested buyer to acquire your licence? Please elaborate and provide as much information as possible, if applicable.***

N/A

**Question 2.5: If you have I-ECNS and/or I-ECS licences and are not intending to sell your licence(s) in the next 3 - 5 years, please describe the infrastructure used (mobile, fixed, satellite or combination). Provide a list of services that you currently provide and whether those are provided to private consumers and/or businesses/organisations (or both where appropriate)?**

N/A

**Question 2.6: Are there any additional points that you think would be useful for the Authority to consider regarding the demand for I-ECNS and I-ECS licences?**

We refer to Question 2.1.

**Question 3.1: In your view, do you believe that new I-ECNS licences will promote or improve competition in the market? Please substantiate your answer.**

GSOA believes that, as a general approach, issuing new I-ECNS licences has the potential to improve competition and stimulate innovation in the telecommunications market. In general, a telecommunications sector where a limited number of large operators hold significant market power may be susceptible to dominance abuse and diminished competitive pressure on pricing, service quality, and innovation. Issuing new I-ECNS licences is a pro-competitive measure that supports market entry, rather than relying on secondary market licence transfers that favor existing operators. New licences will bring fresh investment, introduce additional independent competitors, create jobs, and increase competitive pressure on dominant players. This will lead to better consumer pricing and technological innovation.

**Question 3.2: If you answered yes to Question 3.1 above, are there any competition issues or concerns that may hinder the effectiveness of such new I-ECNS licences in promoting or improve competition? Please provide evidence or examples.**

While new I-ECNS licences have the potential to improve competition, certain regulatory issues could limit their effectiveness if not addressed. For instance, high market access barriers may prove insurmountable for certain new licensees. These include high regulatory fees, lengthy approval processes, and ownership restriction requirements. If such barriers remain, new licensees may struggle to enter the market to compete with established operators.

Furthermore, ICASA should consider adopting a lower-cost licensing scheme for new applicants and encouraging the participation from SMEs and innovative start-ups, ensuring that new licences will effectively expand the market competition, rather than replicating the existing constraints that exist in the secondary market.

E Effective competition in satellite services requires both access to spectrum resources and robust coordination mechanisms to prevent harmful interference. If new entrants are unable to obtain spectrum, the issuance of new I-ECNS licences will not translate into functional market entry or improved competitive dynamics.

**Question 3.3: What regulatory measures, if any, should the Authority consider to remedy the competition concerns you have identified in Question 3.2 above, or to ensure that any new I-ECNS licences compete effectively with the incumbents? Provide examples of the kinds of remedies you would expect to see.**

To ensure that new I-ECNS licensees compete effectively with incumbent operators, ICASA should consider regulatory measures that provide regulatory certainty, while avoiding unnecessary regulatory burden.

The Authority should consider prescribing clear application requirements, predictable timelines, cost-based regulatory fees, as well as proportionate and relevant regulatory obligations. Licence conditions should reflect the nature and scale of the licensee's activities and should align with South Africa's national policy objectives in terms of equitable and efficient use of shared spectrum and orbital resources, interference into the operations of others, and the ability of a nation to achieve its national sovereignty, defense and security goals.

Lastly, there should be regulatory certainty and transparency by publishing clear guidelines and licensing criteria.

Finally, ICASA should conduct regular reviews of national frequency allocations to ensure spectrum is being used effectively and efficiently, and that it remains aligned with evolving technological and market developments, and continues to support the entry and sustainability of new licensees.

**Question 4.1: In your view, will new I-ECNS and I-ECS licences contribute to universal access and service within the current electronic communications network and services market? Please explain the mechanisms through which such contribution may occur. Provide any supporting data, case studies, or examples.**

New I-ECNS and I-ECS licences, made available at affordable prices, will contribute to achieve universal access and service goals.. Universal service obligations should not be imposed uniformly on all licensees, but should instead consider factors such as market share, scale of operations, and the nature of services provided. While not all licensees should be subject to direct universal service obligations, all licensees that contribute to the Universal Service Fund (USF) should have fair and non-discriminatory access to such funds. USFs are financial mechanisms established by governments to promote equitable access to telecommunications services, particularly in underserved and rural areas. These funds aim to bridge the digital divide by providing financial support for infrastructure development, ensuring that all citizens have access to essential communication services.

ICASA should develop clear, outcome-based criteria for USF eligibility that focus on service delivery and community impact, rather than specific technologies. This ensures that funding decisions are based on the effectiveness of solutions in addressing connectivity gaps. In addition, mechanisms should be implemented to regularly assess the impact of USF funding on connectivity outcomes in underserved areas. Ongoing monitoring and evaluation will help ensure that all qualifying providers, including satellite operators, are effectively contributing to universal service objectives and that public funds are used efficiently.

***Question 4.2: In your view, how should the Authority incorporate universal access and service obligations into the terms and conditions of new I-ECNS and I-ECS licences to ensure equitable access to communications services across South Africa?***

GSOA recommends that ICASA incorporates universal access and service obligations into the terms and conditions of new I-ECNS and I-ECS licences in a targeted and proportionate manner. ICASA should first rely on current licensed services to promote access to communications services. Where such measures are insufficient to ensure that network coverage is met in specific geographic areas, ICASA may impose universal service obligations for those areas. Where universal service obligations are required, ICASA may designate one or more licensees to provide such services either nationally or in defined parts of the country, depending on the access gap being addressed. Any such designation should be based on objective and transparent criteria and should consider the most efficient means of service delivery. Moreover, the universal service requirements should be technology-neutral, allowing licensees to use the most appropriate and cost-effective solutions, including satellite and other non-terrestrial technologies within specific timelines.

**Question 5.1: Are there any potential negative consequences associated with the rollout of infrastructure by the new I-ECNS licensees that the Authority should consider?**

The roll-out of infrastructure by new I-ECNS licensees is generally expected to deliver positive outcomes, like better consumer services and extension of network coverage. However, potential challenges could include administrative and compliance costs, infrastructure duplication, delays caused by local permitting processes, and the risk of disproportionate regulatory obligations. These issues can be addressed through streamlined procedures, infrastructure sharing, and proportionate and transparent regulation. For instance, to promote affordable access to satellite services, regulatory fees should be based on administrative costs associated with the applicable license. Additionally, ICASA can rely on flexible and efficient application processes to help ease the administrative burden. Such a process should provide a single window for license applications, incorporating online and digital processes, and ensure predictable approval timelines.

**Question 5.2 What new or additional benefits, if any, could new I-ECNS licences provide compared to existing licensees? Please provide examples or evidence of potential improvements such as service coverage, infrastructure rollout, technological innovation, competition, or other market and social benefits.**

Issuing new I-ECNS licences is beneficial to strengthen competition, expand coverage and enable technological innovation. Greater competition can lead to improved service quality, increased consumer choice, and more competitive pricing. Moreover, allowing new I-ECNS licences can encourage innovation by allowing different network architectures and service models to enter the market. As an example, emerging satellite-based technologies offer significant additional benefits, particularly in expanding access to communications services in remote, rural, and underserved areas of South Africa that are difficult or uneconomical to serve using terrestrial networks alone. A clear, predictable, and non-discriminatory regulatory environment will support the deployment of efficient and affordable satellite services.

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