

CHAIRMAN'S REVIEW

It is my honoured privilege to present to Parliament the Annual Report of the Independent Communications Authority of South Africa (ICASA) for the financial year 1 April 2006 to 31 March 2007.

The past year was marked by seismic changes on the regulation of communications. The coming into effect of the Electronic Communications Act of 2005, and the Independent Communications Authority Amendment Act of 2006 introduced radical changes in the way the communications industry will be regulated. The former provided for a new licensing regime and a review of regulations that sought to govern previously distinct, but now, converging technologies of telecommunication, broadcasting and computing.

The Authority has already embarked on a process to convert all licences that have been issued, and to audit all regulations to date to make them compliant with the EC Act. The latter provides for the incorporation and integration of the Postal Regulator, formerly from the Department of Communications, into ICASA. Staff members from the former Postal Regulator have relocated to ICASA's offices, and systems have been put in place to ensure their smooth and seamless integration into the Authority.

To enable the Authority to cope with attendant additional responsibilities, the Amendment Act increased Council capacity from seven to nine Councillors.

Changes in the regulatory approach warrant changes in the structural organisation of the Authority. This is the last Annual Report in which the Authority will be reporting its activities in terms of the Broadcasting and Telecommunications divisions with their respective licensing and policy components.

Thus, the two divisions have now been replaced by the Licensing, Markets and Competition, and Consumer Affairs



divisions. The regulatory activities of the former Postal Regulator are to be fused into the three new divisions.

The Engineering and Technology division is retained as is, and the Legal division has the added responsibility of accommodating the Complaints and Compliance Committee (CCC). Not only have we institutionalised the CCC but it has come into operation and has already resolved several cases satisfactorily.

Apart from the regulatory and operational vicissitudes outlined above, the Authority never flinched from implementing its mandate.

Highlights of the year include the introduction of Mobile Number Portability, ten-digit dialling, a new international dialling code for the country, and licensed new commercial radio service in the secondary markets of Limpopo, Mpumalanga and the North West.

The above-mentioned deliverables were guided by the Authority's quest to:

- Regulate the communications sector in the public interest, and to support national economic and social goals
- Position the communications sector as a sector of choice for local and international investors
- Promote innovation, competition and choice in the communications sector
- Promote universal service and access to disadvantaged individuals and communities
- Promote affordability of services for consumers

The economic significance of the ICT as a driver for the social development and economic growth of the sector cannot be overemphasised, as a catalyst for economic, social and technological development. The ECA has, with one fell swoop, got rid of monopoly practices of incumbents - be they publicly or privately owned. This is without doubt a welcome relief.

The convergence of networks such as PSTN, fibre-optics, mobile, cable and terrestrial to an IP-based protocol platform for the provision of multimedia services, including voice, video, data and mobility has led to technology and service neutrality.

This has brought us much closer to the full liberalisation of the sector, so that the Authority's role may in the near-term future be confined largely to the regulation of markets and competition.

It is also incumbent on the Authority to encourage and support the introduction of new technologies such as DVB-B, CDMA, WiMAX, software defined radios/cognitive radios, adaptive antennas and mesh networks will enhance the technically effective and economically efficient utilisation of the scarce and much sought after frequency spectrum.

At a conceptual level we have embraced the fact that the quality of life of South Africans, especially the marginalised, will be enhanced if we facilitate access to essential services such as education, health care and government services.

By leveraging electronic technologies to provide broadband services and applications we will be working towards achieving the Millenium Development Goals for our country as prescribed by the United Nations.

It is worth noting that the Authority also made a submission to the Parliamentary Committee appointed to review the role of institutions that support constitutional democracy. We pledged to continue to uphold our sacred mandate of regulating the sector without fear or favour or prejudice.

I wish to extend a warm welcome to Councillors Jacobus van Rooyen, Robert Nkuna, Brenda Ntombela, Marcia Socikwa as well as Karabo Motlana as our new Chief Executive Officer.

Finally, I would like to express my appreciation and gratitude to:

- The Minister and deputy Minister of Communications, and the Director General of the Department of Communications for their sustained, unwavering and unqualified support
- Members of the Parliamentary Portfolio Committee on Communications for their continued oversight, advice and wise counsel
- ICASA Councillors, executive management and staff for their commitment and involvement
- The broader public, consumers of communications services, industry players, licensees and all other stakeholders for their forbearance and understanding.



Paris Mashile
Chairman