

EXECUTIVE SUMMARY

The following is an Executive Summary of the projects undertaken by ICASA delivered during the 2006/07 financial year.

Telecommunications

On the regulatory front, the Authority has been immersed in delivering the following projects:

COA/CAM for Mobile and Fixed Telephony Operators: The Authority has requested financial statements from mobile operators with the purpose of analysing the costs involved in providing a mobile telephony service. All parties have agreed to finalise the process by September 2007. The analysis will enable the Authority to determine the costs of electronic communications services in South Africa.

The Authority has also received Telkom's audited financial statements. An analysis of these financial statements will enable the Authority to determine whether the prices charged to consumers for services are reasonable.

Mobile Number Portability: The Authority launched Mobile Number Portability in November 2006. Mobile Number Portability enables subscribers to switch from one service provider to another without losing their numbers. Mobile Number Portability is fully operational in the market.

Ten-digit dialling: Increased numbering capacity by 2 million numbers per exchange area to meet the needs of existing and new operators by launching ten-digit dialling and the introduction of a new international dialling code for the country

Enquiry into Handset Subsidy: The Enquiry into Handset Subsidy sought to itemize call charges and determine the cost of subsidized handsets to the consumer. The enquiry process is expected to be completed during the new financial year, and the findings will help to reduce the cost of electronic communications in South Africa.

Interconnection and Facilities Leasing Regulations: The Authority is currently developing regulations to govern Interconnection and Facilities Leasing regulations in an effort to 'level the playing field' and to enable new market entrants to compete with established operators. The Authority intends to finalise the regulations during the current financial year and to date, several interconnection agreements between various operators have been approved.

Market Intelligence and Market Definition: The Authority has initiated an information gathering exercises to identify dominant players in the communications market so as to develop regulations for the communications market.

In order to create competition and choice, and ultimately affordable services, the Authority has done the following:

- Issued frequency spectrum bands, numbering and community service obligations to Neotel, the second network operator
- Licensed 81 Value Added Network Services operators so that they were not held back by the licence conversion process as outlined in the Electronic Communications Act
- Issued three Under-Serviced Area Licences, granted six licenses subject to provision of additional information, and ordered four applicants to merge before licences could be issued
- Launched the ten-digit dialling format for local calls and a new international dialling code for South Africa, and published initial numbering plan records
- Collected the Universal Service Fund from licensed operators, and imposed obligations on operators to address the socio-economic needs of the country.

Broadcasting

The Authority delivered the following broadcasting policy projects:

- Conducted a Ten-year Review of Broadcasting Regulation aimed at improving the regulation of broadcasting services in South Africa
- Published a Code of Good Practice to guide broadcasting with regard to the provision of services to people with disabilities, in line with universal access and service policy objectives
- Conducted research with regard to programming for children, the youth, women and people with disabilities. A report will be published during the current financial year.
- Published a Community Sound Broadcasting Policy Position Paper, providing for a new policy and licensing framework.
- Participated in the Digital Migration Strategy process initiated by the Minister of Communication to provide guidelines for the transition from the use of analogue to digital equipment for the country.

The following licensing and licence amendment processes were undertaken in line with national policy objectives of promoting choice and competition in the broadcasting sector:

- Renewal of the SABC licences for XK FM and the amendment of Umhlobo Wenene FM
- Renewal of commercial broadcasting licences for 702 Talk Radio and Midi TV
- Amended commercial broadcasting licences for Kaya FM and 702 Talk Radio
- Licensed three new commercial radio stations for Limpopo, Mpumalanga and the North West for the secondary markets
- Granted 11 new Community sound Broadcasting licences for nodal areas in terms of the government's urban renewal and integrated sustainable rural development strategy
- Issued 28 Special Events community broadcasting licences
- Renewed nine community broadcasting licences in terms of the 4-year licensing framework
- Amended three community sound broadcasting services

- Conducted monitoring visits to 64 commercial and community broadcasters in the nine provinces to determine their compliance with licence conditions
- Received and adjudicated 75 complaints against broadcasters
- Conducted complaints hearings against three broadcasters
- Conducted the inauguration of members of the Complaints and Compliance Committee in terms of the Electronic Communications Act, 2005, to replace the Broadcasting Monitoring and Complaints Committee.

Engineering & Technology

The following projects were undertaken by the Engineering and Technology Division:

- Conducted public hearings in order to develop a licensing framework for the assignments of the 2.6GHz and 3.5GHz frequencies, for which a great demand exists
- Published a discussion Document calling for public comment on the use of use of personal locator beacons and radio frequency identification technologies
- Issued a total of 88 300 radio communication frequency licences
- Conducted Equipment Type Approval of Telecommunication Line terminal Equipment, Switching Systems, Radio Frequency Equipment and Line Maintenance organisations
- Recommended the use of Broadcasting Channel 65 for non-broadcasting services (the 800 MHz) on a secondary basis
- Enforced compliance with usage of the radio frequency spectrum through inspections and monitoring; cross-border interference, compliance and labelling campaigns, licence compliance, maritime surveys, high-site inspections and spectrum compliance.

Postal

The Postal Division delivered the following projects:

- Developed a Code of Practice for postal operators in the un-reserved sector (courier companies), registered and renewed registration of courier companies, and conducted research on secure mail, post boxes and philately
- Conducted Postal Inspections to enforce compliance with legislation and root out illegal operators and to ensure maintenance of standards in the postal sector and satisfactory customer service.
- Determine Pricing and Tariffs for the postal sector to ensure affordability of services in terms of Postal Services Act, 1998, as amended.

Consumer Protection

The Consumer Affairs department delivered on the following projects:

- Public Awareness and Education entailed conducting road shows in Limpopo, the Eastern Cape and Northern Cape Provinces on universal service and access, consumer rights, service to people with disabilities, number portability and e-rate
- Complaints Handling involves receiving of complaints from consumers regarding the quality of service rendered by operators. A total of 924 complaints were received and 679 cases were closed for the year under review. High-profile cases included complaints about drop calls and faulty equipment and billing.