

Refilwe Ramatlo
Block A, Pinmill Farm
164 Katherine Street,
Sandton

Attention: **R Ramatlo**

By email: subscriptioninquiry@icasa.org.za

4 December 2017

Dear Ms Ramatlo,

Submission in respect of Discussion Document - Inquiry into Subscription Television Broadcasting Services.

1. We refer to the above Discussion Document published in Government Gazette No. 41070, dated 25 August 2017.
2. Liquid Telecommunications South Africa ("**Liquid Telecom**") thanks the Independent Communications Authority of South Africa ("**ICASA / the Authority**") for the opportunity to comment on the Discussion Document.
3. As ICASA is aware, the Liquid Telecom group is an independent data, voice and IP provider in eastern, central and southern Africa. For those less familiar with our operations who may read this submission, our business is to supply fibre optic, satellite and international carrier services to Africa's mobile network operators, Internet Service Providers and businesses of all sizes. Liquid also provides payment solutions to financial institutions and retailers, as well as data storage and communication solutions to businesses across Africa.
4. Liquid Telecom group acquired Neotel in February 2017 and in June 2017 rebranded Neotel as "Liquid Telecom South Africa". Formerly the "second network operator" in South Africa, Liquid Telecom South Africa has a focus on small business, consumer, enterprise and wholesale services spanning the last 8 years.
5. Liquid is an affiliate of Econet Media Limited, which trades under the brand name "Kwesé".
6. Econet Media / Kwesé is a recent entrant into the African pay television services market in various African countries. When deciding on the countries it sought to enter, Econet Media took a clear decision not to launch a pay television service in South Africa, due to the fact that it did not hold a licence to do so and further, due to the existing barriers to entry in the South African pay television market, which are discussed in detail in their written submission to the Discussion Document. Econet Media has made detailed submissions because of its intention to expand its pay television service offerings into the South African market as soon as it becomes feasible for it to do so.

7. We endorse the Econet Media submission and request the Authority to consider this letter as full support for its contents.
8. Specifically, in respect the discussion pertaining to bundling and discounted data services (at para 6.5.4 of the Discussion Document), we wish to highlight Econet's submission that bundling needs to be carefully examined. While it can provide a range of benefits, including allowing service providers to exploit economies of scale and scope, offering consumers lower retail prices, quality improvements and lower transaction costs from consolidated billing arrangements, bundling can also however, give rise to competition concerns if an incumbent operator in the pay television market uses a content bundling strategy to gain increased market share and drive competitors out of the market.
9. In addition, we note that bundling by dominant electronic communications providers should also be carefully examined to ensure that there is no discrimination (from both a commercial and technical perspective) against content services not aligned with the relevant electronic communications provider. Such alignment ranges from in-house content services to contractual arrangements with external providers. The welcome South African policy commitment to "net neutrality" is set out clearly in Chapter 8 of the National Integrated ICT Policy White Paper and we urge the Authority to have due regard to this policy in considering bundling issues.
10. Where there is the potential for lessening of competition, it is incumbent on the regulator to ensure regulatory intervention to curb any anti-competitive effects arising from such bundling activities. As Liquid Telecom, we urge the Authority to take specific notice of this concern and the effects that can arise and to consider appropriate remedies and interventions in this regard.
11. Liquid would also like to request the opportunity to amplify this submission in the public hearings held by the Authority in due course.

Kindly acknowledge receipt of this submission.

Yours sincerely



LIQUID TELECOMMUNICATIONS SOUTH AFRICA PROPRIETARY LIMITED

Per: Mike Silber
General Counsel