MTN SUBMISSION: - INQUIRY INTO INDIVIDUAL ELECTRONIC COMMUNICATIONS NETWORK SERVICE AND INDIVIDUAL ELECTRONIC COMMUNICATIONS SERVICE LICENCES

16 February 2026

Contents

1. CONTACT DETAILS FOR RESPONDENT OR REPRESENTATIVE OF THE RESPONDENT

Please complete and include the table below in your submission. Where there is more than one contact person, please include the full details of the additional contact person/s in the format provided below.

Organisation	Mobile Telephone Networks Proprietary Limited (MTN)
Name and surname	Songezo Ralarala
Position	General Manager, Regulatory Affairs
Contact details (telephone number and e-mail address)	songezo.ralarala@mtn.com [redacted]

2. SECTION 1: TRANSFER OF INDIVIDUAL I-ECNS AND I-ECS LICENCES FRAMEWORK

2.1. 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)? Does the current licensing framework hinder or promote competition? In providing your response, please provide reasons supported by evidence or case studies, where applicable.

Answer

The main challenge lies not in the design of the framework, but in the lengthy time the Authority takes to process licence applications and transfers. Such delays can unintentionally hinder market entry and restructuring, potentially reducing market dynamism. The current licensing framework currently offers a structured approach for market entry, consolidation, and exit through the sale and transfer of existing licences. Improving procedural efficiency within the Authority could therefore enhance the framework's effectiveness without the need to open a new primary licensing window.

2.2. 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.

Answer

Regulatory intervention should remain limited and directed primarily toward enhancing procedural efficiency rather than affecting structural reform.

The existing sale and transfer framework is already subject to regulatory oversight, including coordination with the Competition Commission, demonstrating that competition considerations are incorporated into transaction assessments.

Instead of intervening or altering the structure of the secondary market, the Authority could focus on:

a) Strengthening the timeliness and predictability of processing, and

b) Assessing whether certain elements of the section 16 ECS licensing procedure could appropriately inform ECNS transfer approvals, while remaining compliant with statutory obligations such as publication requirements and public-hearing provisions.

c) Measures that compromise legal certainty or diminish licence value should be avoided.

2.3. Question 1.3

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

Answer

Before introducing new I-ECNS licences, several key considerations should be evaluated.

a) First, a substantial number of ECNS licences are due for renewal in 2028/2029. It would be prudent to assess the outcomes of this renewal cycle before issuing additional licences, as renewal decisions may naturally reshape the market through attrition, consolidation, or changes in licensee composition.

b) Second, any introduction of new licensees should consider whether regulatory obligations such as universal access, connectivity requirements, and IMT-related social obligations would be applied symmetrically to both incumbents and new entrants. The imposition of asymmetric obligations may distort competitive conditions.

c) Third, licensing reform should be grounded in evidence. It would be appropriate for the Authority or the Minister to undertake a feasibility study or impact assessment to determine whether the entry of new licensees is likely to meaningfully reduce data costs or improve coverage and consumer outcomes prior to opening a new licensing window.

These considerations would help ensure that any expansion of the licensing framework is orderly, justified, and aligned with broader policy objectives.

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.

Answer

Whilst MTN is hopeful that there are opportunities upstream for I-ECNS operators. The situation in South Africa is one where competing networks have been deployed nationally and compete at the retail and wholesale level. Moreover, the challenge in South Africa is not how to best distribute the benefits of existing infrastructure, but how to get more infrastructure investment deployed to keep up with increasing demand and technological advances, which is dependent on continued and intensive capex investment.

What really matters is that I-ECNS operators have the means and incentives to invest in the South African market. As such, one needs to consider whether policy makers have introduced sufficient incentives to foster the on-going infrastructure investment required to keep up with market demands?

Evidence from international markets suggests that two or three infrastructure I-ECNS operators are typically sufficient to ensure effective competition. The allocation of spectrum to the larger operators who have each invested in national networks would allow for even stronger competition between MTN and Vodacom to provide the most competitive rates to other guest I-ECNS licensees and MVNOs, to drive traffic to their network.

The UK provides an example of mobile network consolidation, where even with its level of population density and exceptional wealth, a market structure with five network operators has proven to be unsustainable. The market has concentrated around just two RAN providers (MBNL and Cornerstone), supporting four mobile operators, which in turn compete in relation to wholesale capacity for MVNOs and On-seller Service Providers. Despite this network consolidation, there is a thriving level of service-based competition. This service level competition has developed and prospered on an entirely commercial basis without regulatory intervention.

This suggests that licensees have set-up ring-fenced, dedicated wholesale businesses, i.e., Vodacom; MTN; Open Serve; Liquid Telecoms etc., which deliver access to their networks and infrastructure on commercial terms. This speaks to the notion that South African I-ECNS operators are commercially incentivised to compete in the provision of provide wholesale services, and newer entrants would be competing with players who rely on scale to operate.

Policy makers need to distinguish between concentration at the infrastructure level (towers, fibre, RAN), driven by scale economies / efficiency / technology; and concentration at the retail level (retail businesses, service providers). In South Africa, the upstream wholesale market has various licensed I-ECNS operators. It is generally accepted that infrastructure competition is a critical component of network quality and coverage, which in turn is a significant element of consumer choice. In addition, it is important to recognise the significant late-mover advantages that newer entrants have over incumbent wholesale providers. For example, older networks continue to serve substantial populations of subscribers who only use 2G and 3G connections (those subscribers with only 2G and 3G devices). Many South Africans cannot afford to upgrade their devices regularly, meaning that many consumers are effectively constrained to use 2G and 3G networks. By contrast, later entrants may not have the obligation to serve customers that still use 2G or 3G devices (or may not have that obligation to the same degree), and as a result, may be able to host more customers per unit of spectrum. Additionally, technological change means that significant and regular investment in infrastructure is required to provide the latest services. This is in considerable contrast to many other industries, which do not experience the same rate of technological change. As a result, incumbent firms in mobile network markets cannot invest once and then "rest on their laurels". At the turn of each technology cycle, there is scope for later entrants to match the infrastructural capability of the incumbents at the latest level of technology, without having to invest in previous layers of technology.

2.4. 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 of, where possible.

Answer

MTN cannot speculate as to whether any licensee or interested party is considering launching or expanding network infrastructure. It should be noted that any entity that currently possesses an I-ECNS licence may roll out infrastructure. It just depends on the willingness of such entity to roll out infrastructure, and access to the required amount of capital needed.

2.5. 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.

Answer

MTN was issued with a National Cellular Telecommunications Licence in 1993. After the promulgation of the Electronic Communications Act no. 36 of 2005, existing licences (including that of MTN) were transitioned to the new licensing framework. MTN was issued with licences because of this process, with an individual Electronic Communications Network Service and an individual Electronic Communications Service Licence in 2009. Therefore, MTN acquired its service licences directly from the Authority.

2.6. 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.

Answer

No.

2.7. 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/or organisations (or both where appropriate)?

Answer

Please find a list of services set out below. Some of the services mentioned below do not fall within the definition of licenced services but are mentioned so that the Authority may be aware of all the services that MTN offers.

Services:

1. Mobile data, voice, SMS services (prepaid and postpaid) to consumer and enterprise customers (business).
2. Wholesale services to businesses
    a. National Long Distance Backhaul
    b. FTTH
    c. FTTB (Cloud Connect lite)
    d. Cloud Connect
    e. Tarana/FWB
    f. Broadband enablement
    g. Hosting & Power at MTN DCs.
    h. Dedicated Internet Access (DIA)

i. Cloud Internet Access (CIA)

j. IP transit

k. Ethernet Leased Line

l. NNI/Cross connects

m. MPLS/VPN (Legacy product)

n. Managed Network Connectivity Servies

o. Core Backhaul (BNG to NNI)

p. Interconnection Services

q. Carrier Services

r. Bulk SMS Services

s. MVNO Services

t. Fixed Wireless Access Services

3. Converged ICT Services to businesses

    a. Managed network services

    b. Cloud services

    c. Security Services

    d. Unified Communications and Collaboration Services

    e. Internet of Things

4. Fintech services to consumers and small businesses

    a. Mobile Wallets

    b. Payments

    c. International Remittance

d. Bank-Tech

e. Insurtech

5. Digital Services to consumers

    a. Digital Subscription Services to consumers

    b. Wireless Access Services (WASP) to businesses

    c. Mobile advertising to businesses

6. Infrastructure

MTN has deployed a national radio access network that comprises over thirteen thousand sites and provides GSM coverage to over 99% of the population and mobile broadband coverage to 98% of the population.

Of this number of sites:

a) 99% have 2G capability;

b) 99% has 3G capability;

c) 98% has 4G capability;

d) 27% has 5G capability.

3. SECTION 3: WHETHER NEW I-ECNS LICENCES WILL PROMOTE COMPETITION IN THE MARKET FOR I-ECNS

3.1. 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.

Answer

Competition in a market is a complex matter and reliant on multiple factors where market structure or the number of issued I-ECNS licensed operators is one of many measures considered.

Importantly, network quality and coverage are critical aspects of competition in the market. For example, consumers in the data market merit high-quality service and coverage. As such, one can reasonably be expected to make purchase decisions with this as a critical consideration. Repeated dropped calls do not inspire customer loyalty to any service provider, and it may simply come down to which operator offers the best coverage and connection.

Technological change in the telecoms sector means that significant and regular investment in infrastructure is needed to provide the latest services. Evidence suggests that mobile markets experience technology cycles that last for 5-8 years. This is in stark contrast to most other industries, which do not experience the same rate of technological change.

As such, newer market entrants have an opportunity to rival incumbents with the introduction of every new technology business cycle and investment cycle – if the market and the investment environment is attractive then new licensees / operators do not have to worry about the operational costs of maintaining previous years of technology and the associated layers of tech. A case in point is Telkom Mobile - in a recent media article dated 18 November 2025, entitled " Why Telkom is winning in mobile"[1], Telkom spokesperson states that competitors have multiple generations of radio access technology – including 2G, 3G, 4G and 5G – in their networks, Telkom has a 4G network with a small sliver of 3G for legacy IoT devices. All 2G voice traffic is offloaded onto its roaming partners (Vodacom and MTN). He is quoted as saying:

"Your biggest cost line in your cost structure is your network costs, both capex and opex, because you put up a base station and there's traffic and if it's empty, then you are not monetising that, but you are paying fixed costs. What Telkom did was to go straight into 4.5G (an evolution of the 4G standard) and then we build sites on demand and roam on others, but we roam less on data because that becomes too expensive".[2]

It is equally important to understand what "type" of competition is being evaluated. In South Africa electronic communications network service providers compete aggressively in the retail segment, which is characterised by a very limited number of infrastructure service providers who vigorously compete with one another.

BEREC (Body of European Regulators for Electronic Communications) suggests infrastructure sharing could reduce CAPEX by up to 45% and operational expenditure. by 33%.[3] This suggests that markets which are characterised by consolidation can bring about efficiency enhancing outcomes. This makes sense when you recognise that the ICT infrastructure I-ECNS markets are characterised by high fixed costs associated with rolling out networks. This is not feasible for small operators who would have serious difficulty recovering these costs given their smaller network scale and customer bases.

[1] View at Why Telkom is winning in mobile

[2] View at Why Telkom is winning in mobile

[3] Economic Benefits of Infrastructure Sharing -tec.wia.org at http://tec.wia.org

Notwithstanding the above, it should be noted that the establishment of a secondary market for spectrum trading is a pro-competitive measure that has been adopted in many international markets. The benefits of a secondary spectrum market are that, if it is well functioning, it provides ongoing incentives for efficient spectrum use in response to changing market conditions.

A well-functioning market should have a degree of competition for buyers and sellers and a degree of transparency over the ownership, quality and legal rights or obligations associated with the goods or services. Current and potential spectrum users should also be able to access information on existing spectrum assignments which should be kept up to date. This would help to reduce transaction costs, which would otherwise be a disadvantage of a secondary market.

Not only does spectrum trading incentivise efficient spectrum use for spectrum that is already in the market; it can also accomplish this much faster than if the Authority must recycle the spectrum. This is because:

a) Market prices can reflect the true value of the spectrum more quickly and accurately than the regulator. This is true even when Administered Incentive Pricing is in place. First, a well-functioning market will always have access to better information and value spectrum more accurately than the regulator. Secondly, it provides long term incentives for efficient spectrum use, partly because administered prices are only updated periodically, hence spectrum trading is complementary because it provides on-going incentives in the short term for efficient spectrum use;

b) Licensees who may no longer need spectrum will have an incentive to release rather than hoard frequencies because they can realise value through trading to someone who values it more. In economic terms, the potential to trade creates an opportunity cost for the licensees who should sell if the value to them falls below what someone else is willing to pay;

c) The secondary market should recycle spectrum much more quickly than through an administrative award process, which has the added benefit of reducing the costs of recycling underused spectrum back to the market.

As a result, spectrum trading minimises the amount of time spectrum lies underused, increasing efficiency and maximising its productive use. There are three distinct situations where this will benefit the market:

a) At a micro level, where spectrum is underutilised in terms of geographic location or time or day/year, leasing can help enable more efficient spectrum use, subject to commercial agreement and protections to avoid harmful interference.

b) Trading can help the market to respond more rapidly as the fortunes of the market players rise and decline. Hence, if initial spectrum assignments fall out of line with subsequent developments in market share, spectrum trading can help the market overcome a spectrum crunch without outside intervention due to the incentives generated by trading; and

c) In the more extreme case, when a licensee's business is failing, trading can offer a transparent and faster route to getting spectrum back into productive use.

3.2. 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 improving competition? Please provide evidence or examples.

Answer

There are certainly challenges in the ICT sector, specifically from the perspective of an I-ECNS licensee. Competition occurs across multiple dimensions, as consumers value different aspects of mobile communication. In this regard, offering strong network quality and coverage offers a competitive advantage where commercial innovations are the way to attract the next telco subscriber. In South Africa, high network coverage and mobile penetration rates, means competition is likely focused on expanding the market and importantly addressing affordability.

As mentioned above, South African I-ECNS licensees compete vigorously to expand their market share. It is important to note that this competition occurs in an environment where the main resource (i.e., frequency spectrum) remains scarce. Consequently, I-ECNS licensees operate with high levels of network churn i.e., customers which are able to, and do, switch between operators.

In the mobile network market, this is referred to as network churn, or the percentage of consumers who leave a particular operator for another. Evidence shows that there is notable network churn among prepaid customers, who make up most South African subscribers. As a result, incumbents such as MTN do not hold an advantage over later market entrants through the so called "stickiness" of consumers.

IAs noted above, competition in the South African market is highly effective and has led to improved customer benefits. First and foremost, 5G network coverage has improved between December 2024 and December 2025 by 18.99% from 44% to 63%. Secondly, competition has driven rapid adoption of technological upgrades, evidenced by South Africa's continent-leading adoption of 5G roll-out.

3.3. Question 3.3

What regulatory measures, if any, should the Authority consider remedying 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.

Answer

It is commonly understood that telco operators in South Africa compete based on significant investments which funds the evolving technological advancements (evolution of 2G to 5G).

The demand for radio frequency spectrum is never ending and increasing constraints on mobile network infrastructure will reduce the capacity of the mobile sector to meet the growing demand for mobile broadband from customers.

The most critical issue for the telecommunications sector is policy and regulation regarding spectrum allocation and licensing. To maximise the benefits for the South African economy, spectrum policy must allow for the expansion of spectrum resources to mobile broadband by empowering the mobile private sector.

Given the above media article and Telkom's impressive growth in the mobile market since its launch into the mobile market suggests that the market is effectively competitive and questions whether the perceived concerns are non-existent as newer mobile I-ECNS mobile entrants are performing well.

The possibility of network sharing and the benefits to the consumer ought to be on the agenda of the Authority as well for consideration. It overcomes issues relating to the deployment of infrastructure in constrained areas, e.g., metropolitan city centres. Moreover, sharing can improve consumer choice in areas where it would otherwise be prohibitive for any I-ECNS licensee to enter.

4. SECTION 4: POTENTIAL CONTRIBUTION OF NEW I-ECNS LICENCES TO UNIVERSAL ACCESS AND SERVICE

4.1. 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.

Answer

In assessing whether and how new I-ECNS and I-ECS licences will advance the universal provision of electronic communications networks, MTN submits that the Authority must first evaluate the impact of existing obligations across South Africa.

A thorough understanding of current licensee obligations and the challenges they face is essential. If current contributions to universal access and service have not significantly improved universal service, the Authority should determine the reasons for this and whether the approach is ineffective or whether licensees are failing to comply with their regulatory obligations.

At present, only licensees with access to high-demand spectrum have universal service obligations (USOs) embedded in their licence conditions, while the majority have none. MTN submits that USOs should be imposed on a fair, transparent, and proportionate basis.

Should the Authority exercise its powers under section 8(4) of the Electronic Communications Act (ECA), it is legally required to consult the Universal Service and Access Agency ("the Agency") and consider any Ministerial determinations issued under section 82. These requirements are mandatory, not discretionary.

Section 82 obliges the Agency to make recommendations to the Minister, enabling the Minister to define what constitutes universal access and universal service. Section 82(5) further requires the Authority to consider these determinations when exercising its powers. To date, no such determinations have been issued by the Minister. It is therefore unclear how the Authority can lawfully proceed without this guidance, which would also include an evidence-based approach.

In practice, obligations have been included in licence conditions on an ad hoc basis to those licensees who have access to high-demand spectrum. A systematic and transparent framework would better achieve policy objectives by ensuring that all licensees contribute equitably to universal service goals, thereby promoting inclusivity and bridging the digital divide.

MTN therefore advocates for a shift from fragmented, ad hoc conditions toward a structured framework under sections 8(4) and 8(5). Such a framework would harmonize obligations across licensees, enhance transparency, and ensure a level playing field. Despite the clarity of the statutory mandate, implementation to date has been inconsistent and lacking uniformity. Aligning the designation process with policy objectives will strengthen regulatory certainty and accelerate progress toward universal service and access for all South Africans.

4.2. 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?

Answer

As noted above, there is currently no formal designation under section 8(4) of the ECA. Until this process is concluded and alongside an assessment of the impact of existing obligations, the Authority should incorporate Universal Access and Service Obligations into the terms and conditions of new I-ECNS and I-ECS licences, guided by the following principles to ensure equitable access:

a) Transparency and Public Consultation: Obligations should be developed through an open and consultative process, allowing stakeholders to provide meaningful input.

b) Procedural Fairness: Decisions must be evidence-based, with written reasons clearly justifying the obligations imposed.

c) Proportionality: Obligations should not be unduly burdensome and must remain technically and economically feasible. For example, a satellite provider is better suited for rural coverage, whereas fibre providers are not.

d) Competitive Neutrality: Obligations should be administered in a manner that does not distort competition, consistent with best international practice (e.g., WTO and EU frameworks) [1] [2].

In the absence of exercising its powers under section 8(4), there is no reason for the Authority to deviate from its current approach to incorporating obligations into licence terms and conditions for MTN and other licensees, provided that the principles outlined above are applied consistently so that regulatory parity exists.

[1] Principle 3 - World Trade Organisation Telecommunications Services: Reference Paper 24 April 1996.

[2] Article 86 - Directive (Eu) 2018/1972 Of the European Parliament and of the Council of 11 December 2018 establishing the European Electronic Communications Code.

5. SECTION 5: BENEFITS OF NEW I-ECNS LICENCES VERSUS COSTS, INCLUDING THE COST TO THE AUTHORITY OF MONITORING AND ENFORCING COMPLIANCE WITH ANY LICENCES, AND THE BURDEN ON THE ENVIRONMENT

5.1. 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?

Answer

MTN does not foresee how the rollout and capital investment in infrastructure could result in negative outcomes. On the contrary, investment should be actively encouraged as it directly supports the Objects of the ECA, which include "*…to encourage investment, including strategic infrastructure investment, and innovation in the communications sector*." (Section 2(d).)

That said, the Authority should remain mindful of the environmental impact associated with largescale infrastructure deployment. To minimise the environmental footprint and reduce unnecessary overbuild, MTN submits that infrastructure sharing should be promoted wherever feasible.

5.2. 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.

Answer

MTN and Vodacom have invested throughout the country, in order to meet rural coverage obligations. This considerable infrastructure investment has meant that infrastructure investments by incumbents have allowed newer I-ECNS licensees with the opportunity to leverage incumbent investments through roaming agreements and co-location agreements.

In this regard, infrastructure sharing and roaming agreements are important aspects of mobile network markets. What really matters is this infrastructure investment can facilitate new entry, which in turn means that later entrants can rely on roaming agreements to achieve national coverage.

A case in point is Telkom Mobile which roams on MTN in certain geographical regions, assuring Telkom Mobile with national coverage without having to invest heavily in infrastructure. The latter advantages cannot be underscored as this is particularly effective in rural areas where infrastructure investment and development are very costly.

As such, the sector regulator may want to consider the benefits and advantages of further encouraging infrastructure sharing schemes among I-ECNS licensees. These are *inter alia* cost savings as operators save on capex by avoiding duplication of infrastructure investments and reducing operational expenditures (OPEX) through shared maintenance, power and security costs;

a) Faster network deployment: sharing existing infrastructure accelerates network deployment, especially in rural and underserviced areas;

b) Greater network coverage, will improve real connectivity and provide faster network deployment in respect of in-building network coverage;

c) Environmental benefits which reduce carbon footprint and efficient resource utilisation by minimising the need to duplicate structures and energy consumption; and

d) Finally, increasing competition and market efficiency can be passed onto consumers through lower retail pricing. The result of contributing to efficient network development in turn leads to greater economic growth.

6. SECTION 6: ANY OTHER COMMENTS

6.1. Question 6.1

Do you have any additional comments regarding this Inquiry process that you would like the Authority to consider?

Answer

To summarise MTN's position, our submission highlights several overarching themes regarding the current licensing framework, the potential issuance of new I-ECNS/I-ECS licences, and broader regulatory and market considerations. Across all responses, MTN emphasises evidence-based regulation, competitive neutrality, and the need to preserve investment incentives in South Africa's electronic communications sector.

1. **The Existing Licensing Framework Is Sufficient—ICASA's Process Efficiency Is the Core Issue**

MTN maintains that the legislative and regulatory structure for licence transfers (Section 13 of the ECA) is fundamentally sound and already provides a viable mechanism for market entry, exit, and restructuring. The primary challenge is the Authority's processing timelines, which hinder dynamism and results in stagnation rather than the design of the framework itself. MTN does not support structural intervention in the secondary market (e.g., pricing regulation) and instead calls for:

a) Faster, more predictable processing,

b) Avoiding any intervention that may reduce licence value or create legal uncertainty.

c) The establishment of a secondary market for spectrum trading, this pro-competitive measure and international best practice, allows the transfer of the rights to use spectrum from one licensee to another ensure faster recycling of spectrum, reducing the time spectrum lies fallow, allowing faster resolution of spectrum capacity constraints.

2. **Issuing New I-ECNS/I-ECS Licences Is Premature Without Evidence of Need**

MTN argues there is insufficient evidence to justify opening a new licensing window. Key considerations include:

a) Large numbers of existing unused or underutilised licences,

b) Upcoming I-ECNS/I-ECS licence renewals in 2028/29, which could naturally reshape the market,

c) Lack of clarity on whether new entrants would be subject to symmetric obligations, including universal service obligations (USOs) and social obligations linked to spectrum.

MTN recommends an impact assessment or feasibility study before opening any new licensing process.

3. **Market Competition Is Already Intense—Spectrum, Not Licensing Volume, Drives Competitive Outcomes**

MTN underscores that meaningful competition in mobile markets depends far more on:

a) access to radio frequency spectrum,

b) the ability to invest at scale, and

c) network quality and coverage,

than on simply increasing the number of licence holders.

Evidence referenced includes:

a) South Africa's vigorous network churn, particularly among prepaid customers,

b) The ongoing technology cycles (5–8 years) requiring constant reinvestment,

c) The ability of newer entrants like Telkom Mobile to compete effectively via:

  - leaner network architectures,
  - roaming agreements, and
  - newly acquired spectrum.

MTN argues that the South African market is not structurally uncompetitive.

4. **Infrastructure Sharing Is Critical for Efficiency and Competition**

MTN emphasises that:

a) Infrastructure sharing (including roaming and colocation) substantially reduces costs,

b) These arrangements already foster competition and fast deployment,

c) International evidence (e.g., BEREC studies) supports the efficiency benefits of sharing.

MTN highlights that shared infrastructure:

a) reduces CAPEX and OPEX,

b) accelerates coverage (especially rural),

c) enhances environmental sustainability,

d) improves consumer choice in otherwise uneconomical areas.

MTN suggests the Authority encourage instead of regulating such arrangements unless a clear market failure is shown.

5. **Universal Access and Service Obligations Require a Formal, Structured Approach**

The Authority currently imposes USOs inconsistently and on an ad hoc basis, largely only on licensees with high demand spectrum.

Before attaching USOs to new licences:

a) The Authority must follow Sections 8(4) and 82 of the ECA,

b) The Minister must issue determinations defining universal access and service,

c) Obligations must be:

   - transparent,
   - proportionate,

- competitively neutral,
- supported by consultation with the Universal Service and Access Agency (USAASA/USAF).

6. **Potential Negative Environmental Impacts Need Consideration—but Investment Itself Is Positive**

MTN notes that infrastructure roll-out is fundamentally positive, but the Authority must:

a) consider environmental impact, and

b) encourage infrastructure sharing to reduce duplication and environmental load.

7. **Existing Market Dynamics Show No Evidence of Market Failure**

MTN notes that:

a) roaming and infrastructure sharing are widespread and commercially negotiated,

b) new entrants have been able to compete successfully,

c) coverage and speeds have improved significantly,

d) consumers exercise choice freely, as reflected by strong churn levels.

As a result, MTN asserts that no market failure exists to justify intervention through issuing new licences or restructuring the licensing framework.

In conclusion, there is no evidence-based justification for the Authority to open a new I-ECNS/I-ECS licensing window.

Instead, the Authority should:

a) Improve administrative efficiency,

b) Conduct an evidence-based market impact study,

c) Prioritise spectrum policy and assignment above increasing licence numbers,

d) Develop relevant, fit-for-purpose and structured USO framework,

e) Encourage infrastructure sharing to promote cost-effective expansion.

MTN concludes that the current framework (once efficiently administered) remains suitable for promoting competition, investment, and universal access in South Africa's communications sector.