

ICASA, for attention of
Mr Ndumiso Dana, Block A
Pinmill Farm, 164 Katherine Street, Sandton 2146
ndana@icasa.org.za

10 May 2018

Madams/Sirs,

We are writing in response to the call for comment in the Discussion Document on Digital Sound Broadcasting that appeared in South Africa's Government Gazette No. 41534 of 29 March 2018. Both of us are intensely involved in research into telecommunications and broadcasting economics and technologies and are currently on the board of the International Telecommunications Society (ITS).

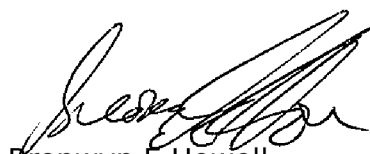
We intend to address ourselves only to **Question 1**.

Is there a need for the introduction of DSB technologies in South Africa?

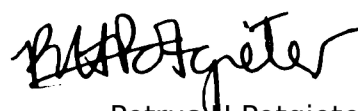
We believe the answer is clearly **no** and enumerate our reasons in brief.

1. The gains are minimal and would be realised only many years into the future. South Africa has ample unused medium wave spectrum that can be used for education, community and news broadcasting.
2. South Africa has many vibrant emerging online digital audio businesses that offer real competition to the established broadcasters. If consumers are switching to online media anyway, an expensive digital radio migration would be a fruitless exercise.
3. There are many technical difficulties with DAB(+), including
 - quality that is not necessarily better than stereo FM and
 - users report frequent loss of signal while driving which would be a big problem in SA where a great deal of commercial value of radio lies in the commuter audience.
4. Digital radio sets are really much more expensive than analogue sets and even with a subsidy (which has shown to be highly problematic in the case of digital television), a forced migration to digital broadcasting would be anti-poor.
5. The migration process is complex and tended, in other countries, to concentrate the market in the hands of a small number of broadcasters who have the technical ability to execute it.
6. In an advanced and rich country like Norway, the switchover to digital audio broadcasting has resulted in very large numbers of people in border areas simply tuning in to FM stations from neighbouring countries, i.e. where people have the choice, they continue to listen to analogue broadcasts.
7. The state-owned signal operator, Sentech who would likely have to manage much of the migration, is under-resourced and, as stated by auditors in its 2016/17 annual report "the public entity's major customer is experiencing financial challenges which could pose a risk to the going concern".

We thank you for the opportunity to comment on this matter and would be glad to provide further information, if requested.



Bronwyn E Howell
bronwyn.howell@vuw.ac.nz
School of Management
Victoria University of Wellington, NZ



Petrus H Potgieter
php@grensnet.com
Department of Decision Sciences
University of South Africa, Pretoria