

# **Mobile Broadband Inquiry Questionnaire**

## CONTACT DETAILS FOR RESPONDENT

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

Prefix (Mr., Mrs., MS, Prof, etc.)	
First Name	
Last Name	
Title	
Organization	
Department	
Address Line 1	
Address Line 2	
Address Line 3	
Postal Code	
City	
Telephone (Switchboard)	
Telephone (Direct line)	
Mobile	
Email	

## **BACKGROUND AND INSTRUCTIONS**

The Independent Communications Authority of South Africa (“ICASA”) is conducting market inquiry into mobile broadband services (“market inquiry”). The purpose of the market inquiry is to assess the state of competition and determine whether or not there are markets or market segments within the mobile broadband services value chain which may warrant regulation in the context of a market review in terms of section 67(4) of Electronic Communications Act.

The purpose of this questionnaire is to obtain information and opinions from market participants and stakeholders that are considered relevant to the market inquiry. Respondents are invited to add valuable input into the market inquiry by completing the relevant sections of the questionnaire that follows. Please complete the survey as accurately as possible.

- All data should be provided electronically in Microsoft Excel.
- When providing written responses, as well as supporting evidence and data, indicate clearly to which question the information pertains to.

Should a respondent be of the view that information submitted is confidential, the respondent must take steps envisaged in section 4D of the ICASA Act to claim confidential treatment for such information.

Should there be any questions or further clarification required, kindly address your questions to the Chairperson: Market Inquiry Council Committee ([MarketInquiry2018@icasa.org.za](mailto:MarketInquiry2018@icasa.org.za)).

## **SECTION 1: REVENUE AND PRODUCT INFORMATION**

1. Provide a list of all unique products which you offered between January 2015 and December 2018 based on the product codes system used in your datasets. The Authority should be able to identify on a monthly basis every product available to customers of the licensee (including the relevant product code), and the specific pricing and characteristics of each product. See attached spreadsheet (**ANNEXURE A – PRODUCTS**) as a guide for the relevant information and format that the data should be provided. If alternative fields are used by the licensee please provide a description of these fields.
2. On a monthly basis, between January 2015 and December 2018, provide detailed information on each and every available unique product based on the product codes system used in your systems, referred to in paragraph 1. Information should include on a monthly basis:
  - 2.1. Total revenue (Rands).
  - 2.2. Total data revenue (Rands).
  - 2.3. Total data used, split between a) regular data, b) night-time or similar off-peak data and c) other (please specify). Please specify units (e.g. MBs, GBs, TBs, PBs, etc).
  - 2.4. Total data expired, split into the same categories as for data used.
  - 2.5. Number of transactions (e.g. additional bundles, pre-paid plans).
  - 2.6. Number of subscribers at the beginning of the month and number of subscriber additions during the month.

See attached spreadsheet (**ANNEXURE A – AGGREGATE**) as a guide for the relevant information and format that the data should be provided in.

## **SECTION 2: FINANCIAL INFORMATION**

3. For each financial year from FY2015 to the most recent financial year, kindly provide the following documents and information for the licensee:
  - 3.1. Audited Annual Financial Statements in respect of the licensee;
  - 3.2. Monthly management accounts (in excel format) or (equivalent management reports that record such information) for the business and individual business units where this is tracked.

## **SECTION 3: INPUT COSTS**

4. Provide a description of the main input cost drivers in respect of data services, and any available data or other information on trends in those costs over time. Please include a description of the value chain in delivering data services, such as in respect of international bandwidth, national, metro and local connectivity and the costs of high sites. To the extent possible, explain the link between these input costs and the financial information requested above in question 3.
5. Provide a breakdown of annual investments since 2015 per cost category such as: new RAN antennae/towers, upgrading of existing RAN antennae, backhaul to RAN antennae, metro fibre connections, national fibre networks, other fixed infrastructure, etc.
6. Please detail and quantify which of the input costs listed above could have been avoided if the licensee had access to additional radio frequency spectrum. Relate this as far as possible to the licensee's costs of providing data services and to market prices.
7. Provide a discussion on which, if any, of the above input costs are 'essential facilities' as defined in the Electronic Communications Act, no. 36 of 2005.

## **SECTION 4: SWITCHING INFORMATION**

8. For the period from 2015 onwards, provide all studies, assessments or strategic documents dealing with a) switching between operators by customers, b) customer churn rates, and / or c) customers purchasing from multiple networks.

9. In respect of number porting, provide on a monthly basis between January 2015 and December 2018, for prepaid, hybrid and post-paid mobile customers and for fixed service customers separately:

9.1. In respect of customers porting out of the Licensee's network:

9.1.1. The number of requests to port numbers out in total;

9.1.2. The number of numbers approved for porting out;

9.1.3. The number of numbers actually ported out;

And, on average each month, provide:

9.1.4. The number of days taken to approve requests to port out;

9.1.5. The number of days taken to port numbers out of a network (days between the port out request and when the number is deactivated on the network).

9.2. In respect of customers porting into a Licensee's network:

9.2.1. The number of requests to port numbers into the network in total;

9.2.2. The number of numbers actually ported into the network.

And, on average each month, provide:

9.2.3. The number of days taken to port numbers into a network (days between the port-in request and when the number is activated on the network).

## **SECTION 5: COVERAGE AND QUALITY INFORMATION**

10. For each year from 2015 to 2018:

10.1. Provide a list of the radio access network ("RAN") sites used by the licensee in the provision of mobile data services in South Africa on an annual basis. For each site in the list:

- 10.1.1. Provide the site main place area and code (Statistics South Africa main place)<sup>1</sup> or postal code and physical address.
- 10.1.2. Provide the date at which different technologies (2G, 3G, LTE) became available and/or were deactivated.
- 10.1.3. Provide average download and upload speeds annually or such speed test data as are readily available.
- 10.1.4. Provide details of any operator that shares the site and the price (or monthly fee) for sharing the site.
- 10.1.5. Indicate which licensee or tower company operates the site.
- 10.1.6. Indicate whether the licensee has an exclusive agreement with the site owner. Provide a sample of five such exclusive agreements.

See attached spreadsheet (**ANNEXURE A – SITES**) as a guide for the relevant information and format that the data should be provided in.

- 10.2. Provide the total number of the licensee's fixed access links available and the number actively taken up by businesses and consumers separately, in respect of the provision of fixed data services in each main place (Statistics South Africa main place) area or postal code area on an annual basis. In your answer, differentiate between (i) the type of connection technology (e.g. ADSL, fibre etc.) and (ii) maximum speed available.

See attached spreadsheet (**ANNEXURE A – FIXED GEOGRAPHIC**) as a guide for the relevant information and format that the data should be provided in.

- 10.3. Provide the total number of mobile subscribers on the licensee's network in each main place (Statistics South Africa main place) area or postal code area on an annual basis.<sup>2</sup> Please provide the number of business customers and consumer customers separately.

See attached spreadsheet (**ANNEXURE A – MOBILE GEOGRAPHIC**) as a guide for the relevant information and format that the data should be provided in.

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<sup>1</sup> [http://www.statssa.gov.za/?page\\_id=4503](http://www.statssa.gov.za/?page_id=4503)

<sup>2</sup> Please indicate how subscribers are defined.

- 10.4. Provide the proportion of the population covered by the licensee in respect of data transmitted using spectrum assigned to the licensee for each mobile technology (2G, 3G, LTE etc.) in each main place (Statistics South Africa main place) area or postal code area on an annual basis.

See attached spreadsheet (**ANNEXURE A – COVERAGE**) as a guide for the relevant information and format that the data should be provided in.

- 10.5. For the licensee's forecast period most often used for planning (such as for the next 3-5 years) provide:

10.5.1. Documents that set out the proportion of the population that the licensee plans to cover, forecast data traffic volumes and forecast number of data subscribers and subscribers overall;

10.5.2. Documents that describe any plans to exit or enter any new markets or lines of business.

## **SECTION 6: WHOLESALE SERVICES**

11. In relation to wholesale mobile roaming services and services used by mobile virtual network operators and services offered via access point names (APNs):

11.1. Provide all wholesale agreements entered into or in force between 2015 and the present that concern such services.

11.2. On an annual basis since 2015, provide the revenues (if the licensee provides these services) or costs (if the licensee uses these services), by service type (i.e. for voice, SMS and data separately) for each of the agreements requested in 11.1.

11.3. On an annual basis since 2015, provide the volumes (GB) of internet data transmitted in respect of each of the agreements requested in 11.1.

12. Provide all main service agreements governing site sharing or access that concern the sites described in section 10.1.



## **SECTION 7: SAMPLE OF RETAIL CUSTOMER INFORMATION FROM MOBILE NETWORK OPERATORS**

13. Provide a sample of customer-level transactional and usage data for a sample of 30,000 individual customers. The sample should be drawn as follows:

13.1. Firstly, all customers making any sort of data purchase from the licensee over the period between January 2015 and December 2018 should be identified by a unique customer identification number used by the licensee.

13.2. Secondly, a random sample of 30,000 customers should be drawn from this list.

14. Broadly, the data provided should allow the Authority to determine on a monthly basis the exact products (by product codes, corresponding with information requested in paragraph 1 above) purchased by the customer, the amount of data/voice/etc. used by the customer (and what type of data/voice – e.g. bonus night time data - should be separately identified), and the amount of data/voice/etc. that expires.

15. The data should thus include information such as (or similar) to the following:

- Customer unique identification code;
- Whether client is a consumer or business;
- Client date of birth;
- Client gender;
- Client nationality;
- Client postal code;
- Client main-place area and code (Statistics South Africa main place);
- First registration date of client;
- Product code/s and product names (so that it can be linked to the data requested in Annexure A – Products, referred to in question 1);
- Number of months left in commitment (if applicable);
- Phone model (if applicable);
- Monthly handset subsidy (if applicable);

- Spending value for each product code;
- Total units of data/minutes and SMS/MMS (if applicable) used; and
- Total units of data/minutes/SMS/MMS expired.

See attached spreadsheets (**ANNEXURE A – INDIVIDUAL MOBILE**) as a guide for the relevant characteristics (and descriptions) to be provided by the licensee and the correct format that the data should be provided in, although we understand that the precise characteristics/fields captured by the licensee may differ from this.

## **SECTION 8: MARKET DYNAMICS**

16. Provide any documents or data that contain information on the licensee's customers or markets and any documents that discuss the licensee's competitive positioning in these markets. Such documents include due diligence reports, business plans, board packs prepared for board meetings prepared over the past twelve months.
17. Provide any consumer survey data and reports on consumer choices of providers, consumer responses to different price points and price sensitivity, net promoter scores and competitive positioning prepared since 2015.
18. Provide details of any specific competition concerns or allegations of anti-competitive conduct.
19. Provide an explanation of any dynamic characteristics of markets for mobile broadband services that have a bearing on market definition or market power, such as anticipated changes in technology or prospects for new entry.
20. Provide an explanation of the degree of countervailing bargaining power in respect of markets for mobile broadband services. For example, please explain whether there are large enterprise customers who are able to determine their own terms and conditions for services.
21. Provide a description of barriers to entry and expansion in markets for mobile broadband services. In particular, please describe the ease of entry into the market, any technological advantages or superiority that individual operators may have, and please describe the role of economies of scale and scope. Please also describe the extent to which operators have easy or privileged access to capital markets and financial resources.

22. Provide an explanation of the nature and extent of vertical integration and what role this plays in markets for mobile broadband services, including in respect of the assessment of market power.