



Attention: Mr Peter Mailula  
Project Manager

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16 February 2026

Dear Sir,

**RE: RAIN'S RESPONSE TO QUESTIONNAIRE ON ICASA INQUIRY INTO NEW I-ECNS LICENCES (28/11/2025)**

We write to you further to our letter dated 2 December 2025.

**SECTION 1: TRANSFER OF INDIVIDUAL I-ENCs AND I-ECS LICENSES FRAMEWORK**

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

**rain's response:**

*rain is of the view that the current framework under section 13 of the Electronic Communications Act ("ECA") appropriately balances regulatory oversight with commercial flexibility.*

*The requirement for prior written approval by the Authority serves legitimate public-interest objectives, including:*

- *Promoting competition;*
- *Safeguarding consumer interests; and*
- *Ensuring compliance with ownership and control limitations (including B-BBEE requirements).*

*In practice, the framework promotes competition rather than hindering it because:*

1. *It enables secondary market transactions where licensees can acquire existing operations rather than duplicating administrative processes.*
2. *It ensures competition analysis and consumer-interest assessment form part of transfer applications.*
3. *It provides transparency and regulatory certainty for market participants.*

*The fact that a substantial number of transfers have been approved since 2008/09 demonstrates that the framework is operational and commercially workable. However, the efficiency of the process could be improved through shorter processing timelines (addressed further in 1.3). Overall, rain does not consider section 13 to be a structural barrier to competition.*

### 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.

#### rain's response:

rain is of the view that additional intervention is neither necessary nor desirable. The secondary market appears to function effectively because:

- Transfers occur through commercial negotiation;
- The Authority already exercises ex ante oversight;
- Competition and consumer-interest analyses are mandatory;
- B-BBEE and ownership safeguards are embedded in the framework.

Excessive intervention may:

- Increase transaction uncertainty;
- Prolong approval timelines;
- Discourage capital investment; and
- Introduce regulatory bottlenecks.

International experience shows that secondary licence markets operate most efficiently where regulators maintain approval oversight but do not attempt to actively manage transactions.

Accordingly, rain supports maintaining the current approval-based model without introducing additional interventionist mechanisms.

### Question 1.3:

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

#### rain's response:

To enhance the framework's efficiency, rain proposes:

1. **Defined Processing Timelines**  
A statutory or regulatory timeframe (e.g., 90–120 days) for final determination of transfer applications.
2. **Pre-Application Compliance Verification Portal**  
A mechanism allowing prospective buyers to verify a licensee's compliance standing prior to transaction execution.
3. **Standardised Information Requirements**  
Clear, consolidated guidance on documentation requirements to reduce iterative requests.

These measures would enhance certainty and reduce transaction friction without compromising regulatory oversight.

## SECTION 2: THE DEMAND FOR NEW INDIVIDUAL ECNS LICENSES

### 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.

#### rain's response:

*rain does not believe that current market conditions justify the issuance of additional I-ECNS or I-ECS licences. South Africa already has several hundred individual ECNS licensees. The constraint in the market is not licence scarcity but:*

- *High capital expenditure requirements;*
- *Access to spectrum;*
- *Access to fibre backhaul;*
- *Tower infrastructure availability;*
- *Economies of scale;*
- *Cost of capital.*

*The Competition Commission's Data Services Market Inquiry similarly identified structural cost dynamics and infrastructure economics — not licence scarcity — as the primary competition constraints.*

*Issuing new licences without addressing these structural constraints would not materially improve competition outcomes.*

### 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 where possible.

#### rain's response:

*None at this stage.*

### 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.

#### rain's response:

*rain acquired its I-ECNS and I-ECS licences via change of ownership from Wireless Business Solutions (Pty) Ltd in October 2017.*

*The transfer process was procedurally structured but time-intensive. Greater certainty around timelines would improve market efficiency.*

### 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.

**rain's response:**

*None at this stage.*

**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/organisations (or both where appropriate)?

**rain's response:**

*rain holds licences for, inter alia, 1800/2600 Mhz and 3600-3680 MHz. It has built its respective 4G and 5G networks using this assignment, which is currently used to provide fixed broadband services to private customers and businesses. The network is capable of being used for both fixed broadband and IMT mobile broadband services pending the finalisation of the NRFP.*

**Question 2.6:**

Are there any additional points that you think would be useful for the Authority to consider regarding the demand for I-ECNS and I-ECS licences?

**rain's response:**

*The Authority should consider that:*

- *Market entry barriers are economic, not administrative.*
- *Licence proliferation without spectrum availability creates regulatory clutter without improving competition.*
- *Infrastructure-sharing frameworks may be more impactful than issuing new licences.*

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

**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.

**rain's response:**

*Further to our submission in 2.1, rain is not of the view that new licenses are likely to materially improve competition. The issuing of new licenses may in fact dilute investment incentives without addressing the core drivers of limited market entry.*

**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 improve competition? Please provide evidence or examples.

**rain's response:**

*Not applicable given rain's response above.*

### Question 3.3:

What regulatory measures, if any, should the Authority consider to remedy the competition concerns you have identified in Question 3.2 above, or to ensure that any new IECNS licences compete effectively with the incumbents? Provide examples of the kinds of remedies you would expect to see.

#### rain's response:

*Not applicable given rain's response above.*

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

### 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.

#### rain's response:

*rain does not believe that new I-ECS and I-ECNS licences allow will contribute to Universal Access and Service within the current market. New entrants will be faced with similar challenges that licensees are facing of deploying and extending the present footprint.*

*High infrastructure deployment costs, dependence on fibre and tower infrastructure owners and significant scale requirements would apply equally to new entrants. The Competition Commission's Data Services Market Inquiry found that limited universal access is driven by high capital investment requirements and not license scarcity.<sup>1</sup> Regulating wholesale infrastructure providers, to ensure fair pricing and open access would have a far greater impact on universal service than issuing additional licenses. Additionally, using a portion of the Universal Service and Access Fund to support rural rollout would more effectively reduce deployment costs and close access gaps.*

### 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?

#### rain's response:

*The Authority should first undertake a comprehensive review of the current UASO before introducing any new or additional obligations. Research shows that South Africa's universal access challenges stem from coordination failures, fragmented responsibilities and infrastructure related constraints.*

*Academic assessments of South Africa's universal service framework similarly note that poor alignment between government entities, the Authority and beneficiaries has historically weakened the impact of UASF-funded initiatives<sup>2</sup>.*

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<sup>1</sup> **Bridging the Connectivity Divide: Leveraging Infrastructure Sharing for Inclusive Access in Africa,** *Telecom Review Africa*, 9 April 2024, available at: <https://www.telecomreviewafrica.com/articles/reports-and-coverage/4187-bridging-the-connectivity-divide-leveraging-infrastructure-sharing-for-inclusive-access-in-africa/>

<sup>2</sup> Charley Lewis, *Regulating Telecommunications in South Africa: Universal Access and Service* (Springer, 2020), **Chapter: "The Universal Service Fund" (pp. 171–216)**, which documents persistent **institutional misalignment and weak coordination between government departments, USAASA, ICASA and intended beneficiaries**, limiting the effectiveness of USAF-funded initiatives; see also **Chapter: "Universal Service (and Access) Agency (of SA)"**

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

### **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?

#### **rain's response:**

*Yes, rollout of new infrastructure by additional licensees may lead to several negative consequences. The Authority's Findings Document on the Regulatory Framework for Electronic Communications Infrastructure Sharing<sup>3</sup> warns that duplicated fibre and tower builds increase environmental disruption, raise public-works costs and slow deployment, especially where multiple operators erect masts in the same areas without coordination. Consequently, introducing new I-ECNS licensees without a coordinated infrastructure- planning framework may therefore amplify duplication, increase the burden on the environment and strain municipal approval systems, all while weakening the efficiency of national network rollout.*

### **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.

#### **rain's response:**

*As evidenced by our collective submissions in this document, rain does not believe that issuing new licenses is unlikely to produce additional benefits in terms of service coverage, innovation, or rollout beyond what can be achieved through better infrastructure sharing and regulated open-access conditions.*

## **SECTION 6: ANY OTHER COMMENTS**

### **Question 6.1:**

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

#### **rain's response:**

*None at this stage.*

Yours faithfully,

**rain Legal**

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(pp. 259–298) and Chapter: “UAS Policy: From Conception to Outcomes” (pp. 299–333), which further analyse how **fragmented roles and poor inter-agency alignment** undermined universal access outcomes in practice.

<sup>3</sup> Ellipsis, “Findings Document: Regulatory Framework on Electronic Communications Infrastructure,” available at: <https://www.ellipsis.co.za/wp-content/uploads/2016/03/Findings-Document-Regulatory-framework-on-electronic-communications-infrastructure.pdf>