



SENTECH Submission

Draft Signal Distribution
Services Regulations 2025
Submitted to ICASA

19 August 2025



Submission Overview

1. **Response to Draft SDSR published in Government Gazette No.52622 on 08 May 2025**
2. **SENTECH's perspective as a common carrier and state-owned enterprise**
3. **Key concerns regarding implementation and compliance**
4. **Recommendations for regulatory improvements**
5. **Focus on a pro-competitive framework while ensuring operational viability**



Key Principle Understanding

- **Non-Retroactive Application**

SENTECH understands that the Signal Distribution Service Regulation will NOT apply retroactively, considering:

- Current impasse on analogue switch-off (ASO)
- Existing agreements on signal distribution services
- Existing facilities leasing agreements
- Section 2(y) of the Electronic Communications Act of 2006

Regulatory Context Considerations

- **Digital Migration Regulations:** Must accommodate developments from the Review of Digital Migration Regulations, 2012 (March 2024)
- **DSB Licensing Process:** Authority must consider the new licensing process in the Digital Sound Broadcasting Services Regulations, 2021
- **Integrated Approach:** Ensure consistency across all broadcasting regulations

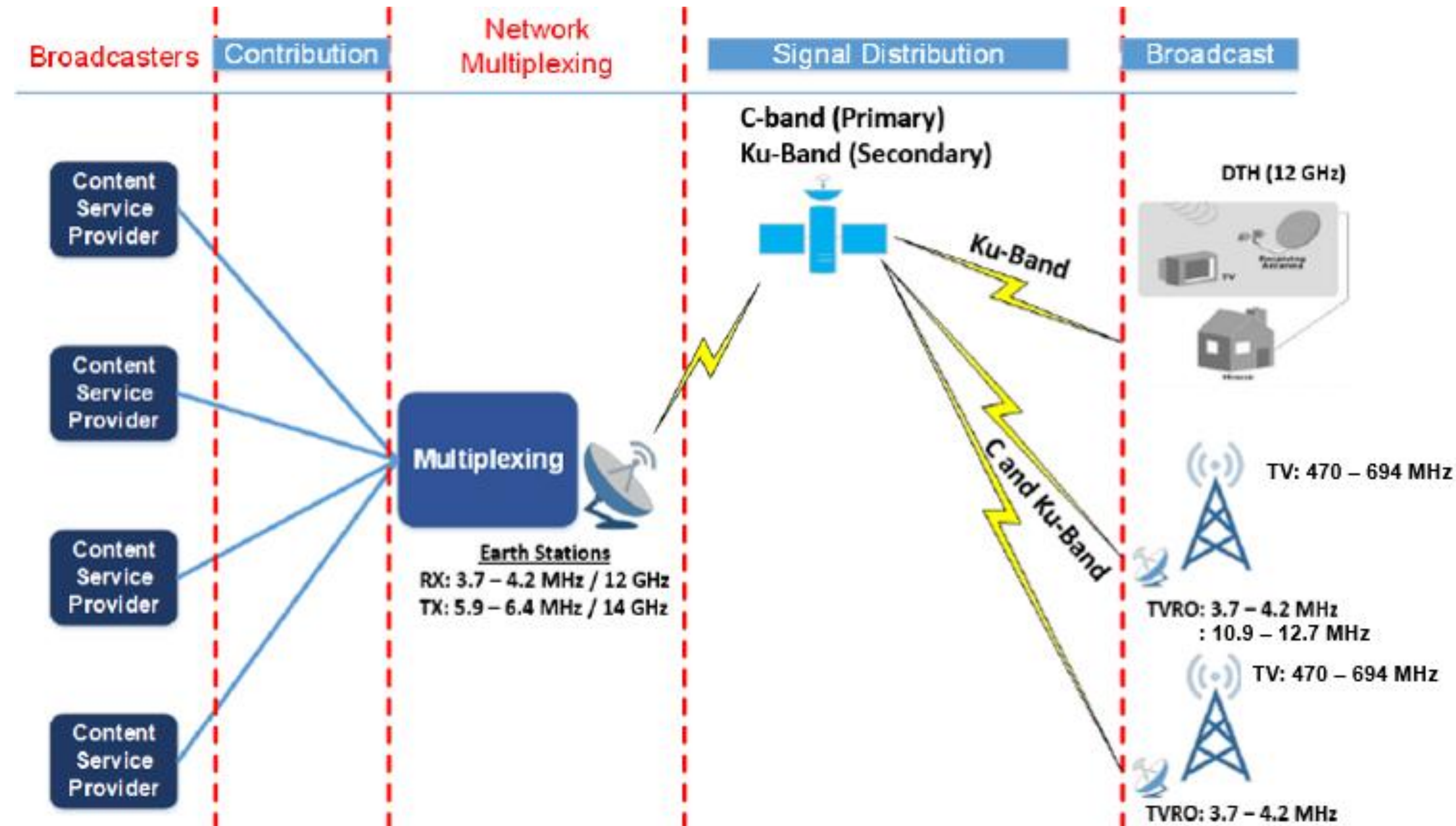
The Authority must take note of the Department's Draft White Paper on Audio and Audiovisual Media Services and Online Safety, as published in Government Gazette No. 52972 on 11 July 2025 ("Draft White Paper").

The Draft White Paper proposes a broad policy shift for the regulation of both traditional broadcasting and online streaming platforms under a converged framework, encouraging a technology-neutral, service-based approach to regulation.

Terrestrial Broadcasting Value Chain

Key Components:

- Satellite portion (DTH and Contribution Feed)
- Terrestrial transmission sites
- End-to-end managed transmission service (MTS)
- Infrastructure access facilities



Two Distinct Markets

Managed Transmission Service (MTS)

- End-to-end service
- Complete solution provision
- Integrated service delivery

Access to Facilities

- Access to parts of the service
- Infrastructure components

Network Access Regulatory Clarity

Issue: Unclear how Draft SDSR navigates existing Electronic Communications Facilities Leasing Regulations (May 2010)

SENTECH's Position:

- Network access relates to physical infrastructure (masts, buildings, power, security)
- This constitutes passive infrastructure
- Network access should NOT form part of the Draft SDSR
- Revision needed for sub-regulation 8(b)

Reference Offer (RO) Recommendations

Proposed Amendments:

- **Sub-regulation 8(b)(vii):** Should be removed to ensure compliance with Section 2(y) of the ECA
- **Sub-regulation 8(c):** Requires revision to accommodate confidentiality provisions
- **Section 4D ICASA Act:** Confidentiality obligations in transmission agreements must be protected

Methodology for Reasonableness Assessment

Required Inclusion

- Methodology for determining reasonableness/unreasonableness must be embedded in final regulations

Benefits:

- Ensures objectivity in the process
- Empowers the Authority to enforce transparency and fair pricing
- Enables effective monitoring and enforcement
- Provides regulatory certainty for SENTECH and affected licensees

Monitoring and Investigation Concerns

Sub-regulation 9(1)(e) Issues:

- **Current proposal:** Too broad and potentially burdensome
- **Recommended revision:** "related sources of data" (more specific)
- **Review process:** Transparency required for sub-regulation 9(2)
- **Appeal mechanism:** CCC or PAJA should not be the first avenue for review

Compliance Cost Implications

Cost-Based Tariff Justification:

- Financial model updates
- Internal cost allocation systems
- External audits

Reference Offer Preparation:

- Legal drafting costs
- Stakeholder review processes
- System alignment
- Web publication requirements

Ongoing Data Disclosure:

- Regular reporting systems
- System audits
- Administrative overhead
- Third-party consultancy

Public Accountability:

- Long-term operational planning
- Ongoing regulatory engagement

ECA Section 62(3)(b) Regulatory Tension

The Challenge

Reconciling requirements of section 62(3)(b)(i) and (ii) as a common carrier

Section 62(3)(b)(i):

- Same rate for the same service at a particular site
- Equality of treatment
- No discriminatory pricing

Section 62(3)(b)(ii):

- Don't disadvantage community broadcasters
- Affirmative support required
- Consider limited revenue capacity

Proposed Market Review Schedule

Current Proposal: 3 years

SENTECH Recommendation: 5 years

Justification for 5-Year Cycle:

- **Market Entry is Slow:** Licensing takes 24+ months, implementation 12-18 months
- **Limited Spectrum Utilisation:** Only MUX 1 and MUX 2 in use; MUX 3-7 remain unassigned
- **Data Collection Lags:** Need operational data for meaningful review
- **Market Maturation Time:** 3+ years needed for new entrants to generate a measurable impact

Key Recommended Amendments

- **Non-retroactive application** - Clearly stated in regulations
- **Network access provisions** - Remove from SDSR scope
- **Confidentiality protections** - Include in sub-regulation 8(c)
- **Reasonableness methodology** - Embed assessment criteria
- **Monitoring scope** - Refine sub-regulation 9(1)(e)
- **Review cycle** - Extend to 5 years with trigger mechanisms
- **Section 62(3)(b) guidance** - Authority assistance needed

Conclusion

SENTECH's Commitment

Supporting a pro-competitive framework while ensuring operational and regulatory viability

- Grateful for the opportunity to submit on the Draft SDSR
- Emphasis on non-retroactive application
- Integration with the existing regulatory framework is essential
- Request for Authority guidance on regulatory tensions
- Commitment to constructive regulatory engagement

"Ensuring sustainable signal distribution services for South Africa's broadcasting landscape"

THANK YOU

