

By Email

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Taylor Engineering
21 Fourth Street
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2092
12 September 2011

The Independent Communications Authority of South Africa
Private Bag X10002
Sandton
2146
Gauteng, South Africa

For Attention: The Project Leader: Miss Lufuno Sigwavhulimu

Dear Lufuno,

RE: Comments on the Draft Broadcasting Communications Transmission Draft Document

As CEO of Taylor Engineering, I wish to respond to the Regulators call for comments on the Draft document as was published in the Government Gazette on 15 June 2011. Whilst this document provides a broad overview on the present broadcast transmission environment in South Africa, I have considered the following pointers, which are integral to the manner in which services are provided by an operator.

1. Quality of Service (QoS) Unit-of-Measure Indicators

The draft document provides no qualitative 'unit-of-measure' indicator as to how the present managed transmission services (MTS) as provided by an operator such as Sentech, are evaluated in the eyes of their customer base. It is therefore expected that any QoS be comprised out of the following components and weighted accordingly, i.e.

- Price competitiveness/value-for-money of service offering
- Transparency in determination of monthly service fees
- Technical suitability of service offering
- Customer service/relationship management, and
- Network availability

The above pointers provide some insight into how a service should be provided to a broadcaster. In the case of Sentech (which is a single and known entity providing managed transmission services to customers), several smaller radio stations simply cannot afford the monthly service charges that are attracted for the transmission and linking charges, often resulting in the station defaulting on its payments for services.

Whilst it is appreciated that a 'one-size-fits-all' approach is necessary in providing 'equitable' services to customers, there is evidence to suggest that service levels do suffer through monopolisation, scarcity of skilled resources and organisational leadership changes. To simply consider the network uptime on an MTS, without performing a complete due diligence on the service as offered does a customer no favours whatsoever.

2. Lack of Private Ownership (BBBEE) of Broadcast Signal Distribution Operations in South Africa

There is concern that the present market has attracted very few SMME/BBBEE companies into the arena for providing broadcast signal distribution operations to radio and television stations. The draft as published by the Authority considers that there are several 'barriers' to entry for alternative service providers. The most significant of these being access to transmitter high site facilities, though the Authority has put in place a policy around the sharing of high site infrastructure. However the tariffs offered and methodology applied are not regulated per se. There are isolated instances where Telkom facilities are utilised by radio stations, though this is an exception rather than an established norm. In the instance of small community radio stations that self provide their transmission services, the transmitter is usually co-located at their studio site. This of course has ramifications for coverage with the end result that the station does not always do the relevant justice in covering its target market.

Whilst it is preferable for any radio station to have an MTS, the cost associated with this hits hard at the pockets of a small operation, where in the case of a community station, the primary driver is about serving the community and not deriving gain through advertising. Several stations have ceased to exist though financial considerations, of which signal distribution charges form a large component of their monthly budget.

Several radio stations don't have access to a dedicated financial person, which results in these matters being compromised to some extent.

Modern FM transmitters are particularly reliable and can tolerate longer service intervals which can benefit a radio station (or even a network operator) immensely from a cost of ownership perspective. Some FM transmitters (such as those from Nautel) can be completely controlled and monitored over a standard web-browser interface, which makes for easy management of the service.

The author is of the opinion that the Authority is **not** doing enough to incentivise the formation of BBBEE owned and privately operated signal distribution concerns. Such an action would have a positive effect on market pricing and service delivery and create a position that could demand the following outcomes from market dominant players;

- Revision of tariff structures (as applicable) to promote competition in offering services within the community radio sector
- Promotion of cost competitive site sharing tariffs to incumbent SMME service providers which could service the community radio market, and
- Providing a regulated framework in which the smaller BBBEE operators could provide services to customers.

3. Technical Audits on Radio Station Transmitter Facilities

The author strongly believes that the Authority is not doing enough to effectively police the technical transmission parameters of self providing radio stations. Moreover, there are stations who in fact self provide, who do not have a trained transmission engineer on their staff, which is a requirement in the ECA act, should a broadcaster elect to do their own distribution. Some radio stations even rely on local transmitter manufacturers as their signal distributor – again where no regulation is applied and competencies are verified, the service delivered could be vastly different to what the station has been licensed for. Moreover, there is no body currently in South Africa which serves to accredit the skills and competencies of technicians/technologists in the broadcasting sector, though this statement can be mitigated by the function of the Engineering Council of South Africa (ECSA), to which Sentech and SABC engineering staff are required to be

members of. For the smaller stations, this practice is not observed. In the USA for example, the Society of Broadcast Engineers (SBE) provides this function as a means of ensuring appropriate accreditation/skills in the entire industry, along with that of the Federal Communications Commission (FCC) who partake in regular inspections of transmitter facilities.

The Authority is therefore required to effectively “police” every single radio and television broadcaster (regardless of service provider) in terms of compliance with technical transmission parameters and as such, the compliance must extend to actual verification of the following parameters;

- Transmitter Output Power
- Compliance of performance specifications and norms
- Measurement of ERP against the licensed specification.

4. SUMMARY

In summary, the draft regulation document as was published on June 15, 2011 requires of the Authority to address the technical compliance of standards as part of the Regulations, which are the foundations of any broadcasting medium. Moreover, it requires these standards to be upheld and monitored and evaluated independently of the organisation contracted to provide the services to the broadcaster. At present there are no technical compliance audits conducted on self operated radio stations conducted by the Authority and/or an independent auditing concern. The author unequivocally recommends that this matter be immediately addressed.

Kind regards

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