ICASA REGULATORY FRAMEWORK FOR BROADCASTING TRANSMISSION SERVICES

DISCUSSION DOCUMENT FOR COMMENT

JUNE 2011

Telemedia (Pty) Ltd. submission

Introduction

Telemedia (Pty) Ltd. thanks the authority for the opportunity to comment on this important topic for discussion. Telemedia (Pty) Ltd. does not wish to make an oral presentation, and has no objection to the making available of this document.

Answer to Questions:

Chapter 3

1. Telemedia (Pty) Ltd. is in agreement, and as an service provider for the broadcasting industry, has a unique perspective on the entire industry. The absence of any other independent service providers is due to the intimidating attitude of Sentech and Telkom.
2. Yes, they serve different markets and have different economic models for operating
3. Yes, additionally, content producers should also include Outside Broadcast facilities companies (for example, Dimension TV), who typically do not produce the content (for example, a live soccer match) but provide live television coverage to a broadcaster/s to use as content.
4. Yes. There are currently three available technology platforms that are economically and technically feasible: Fiber (including IP) , Microwave Links and Satellite links. Services have traditionally been supplied by Telkom or Sentech. Both of these incumbents have aggressively protected their monopolies for many years by threatening legal action against any “challenger”. Both incumbents enjoy the ownership of a vast number of high rise sites, limiting recent entrants into the market to using Fiber and/or satellite connectivity.
5. A Community radio/television station will only have a License for a small geographic area, whereas a Regional or National TV station will have countrywide coverage. The costs associated with each are proportional to capital expenditure and operational costs of the transmitter/s. Their requirements will differ greatly from a technical, as well as operational and financial perspective. Costs will rise rapidly when progressing from local/community coverage to regional coverage. Thereafter, costs will only increase slightly on a “per transmitter” basis, since the network architecture (most commonly used being Satellite distribution) will already have national, perhaps even continental coverage.
6. Yes, and these sites are dominated by Telkom and Sentech. Their co-site sharing agreements will largely determine the feasibility of anyone else wishing to take advantage of the superior geographical position.

Chapter 4

8. Yes, but it does not have to be this way. Nothing should prevent broadcasters from self-providing all or perhaps some part of the MTS.
9. Yes.
10. Yes, at this stage, but more will start appearing over time.
11. Yes, different technologies, with different strategies.
12. Yes
13. Yes
14. Yes, same approximate coverage area/s, despite the different technologies involved

15. Yes
16. Satellite broadcasting services should be classified as trans-national.
17. High initial capital expenditure is required, and the associated operational costs involved. All transmission problems will be the responsibility of the licensee.

Chapter 5

18. Yes, to such an extent that in the past it has advised that all potential community and/or satellite broadcaster that "only Sentech can offer Broadcast Distribution Services, and anyone using another party will be acting illegally."
19. Yes
20. Yes
21. Yes, owing to their strategic geographical locations, and significant infrastructure
22. No (not applicable to our area of operation)

Chapter 6

22. Not applicable to our area of operation.
23. (no comment)
24. Yes, a more fair approach by Sentech would be welcomed. The para-statal has nothing to lose, since all of it's current costs have probably already been amortized.
25. Yes, but will always depend on the level of transparency, and the Authority's ability to regulate this stipulation.
26. The obligation should probably rest with the SMP, as an act of good faith.
27. All available media formats should be used, to encourage maximum readership and awareness of the public.
28. Yes definitely otherwise the incumbent can continue to operate (for example, at a sub-standard performance) until the Agreement comes up for renewal. Amendments should be allowed regularly, to encourage a new and fresh approach each year (for axample).
29. Yes, the Authority should not dictate any pricing, otherwise our free and open-market of trade and industry will be threatened.
30. The SMP should never discriminate against a particular broadcaster/s or seen to be favouring a specific customer/s with regard to SLA, when both have the same Agreement in place.
31. Dependant only on the reasons and actual stipulations that require attention, for that specific customer. They should be addressed in a case-by-case manner, and adjusted to promote fairness with regard to generally accepted business ethics.
32. (no comment)
33. Yes, less Regulatory 'meddling' is always better for the entire industry.
34. This is entirely dependant on its implementation and approach.
35. Possibly, a fair analysis of the actual costs involved should also then be disclosed. Long-term agreements tend to be required due to the huge costs involved, and the amount of dedication and commitment required. This will also depend on individual contractual agreements between Sentech and its customers, and whether it is possible to adequately compare and quantify the costs involved.