

SUBMISSION ON REGULATORY FRAMEWORK FOR BROADCASTING TRANSMISSION SERVICES

13 SEPTEMBER 2011

1. INTRODUCTION

- 1.1 In Notice 346 of 2011 published in Government Gazette no. 34371 on 15 June 2011, the Independent Communications Authority of South Africa (“the Authority”) gave notice and invited comment on a Discussion Paper on the draft regulatory framework for Broadcasting Transmission Services (the “Discussion Paper”).
- 1.2 e.tv thanks the Authority for the opportunity to comment on the Discussion Paper and gives notice of its intention to make oral representations, and to supplement this written representation at any hearings which the Authority may convene.

2. OVERVIEW

- 2.1 For the benefit of the Authority e.tv lays out below a summarized overview of its experience with the managed transmission service (MTS) it purchases from Sentech.
- 2.2 Since 1998 e.tv has been the holder of an individual broadcasting service licence. In terms of this licence, e.tv’s broadcast signal must reach 77% of the population. Since 1998, e.tv has purchased a managed end to end service for its main signal distribution requirements. When it commenced broadcasting, e.tv entered into a Master Transmission Agreement with Sentech for a managed end-to-end transmission service. It is an agreement for an indefinite period with no termination date. Signal distribution costs account for approximately 14.6% of e.tv’s total costs – one of the single largest cost components for the broadcaster.
- 2.3 In terms of its agreement with Sentech, the e.tv signal is distributed by Sentech through a combination of various services. The service originates in Cape Town at the e.tv office. From the e.tv office, the signal is picked up by Sentech, through a Telkom provided leased line. The signal is sent to the Sentech facility in Milnerton Cape Town.

At this facility, the e.tv channel is digitally compressed and transmitted to the IS902 satellite located at 62 degrees east. The signal is received at the Sentech Sender Technology Park (STP) in Honeydew, Johannesburg. At the STP, the e.tv channel is decoded and re-encoded into a multiplexed system together with the SABC channels and the national radio channels of the SABC. The multiplexed feed is then transmitted once more to the IS 902 satellite where it feeds the e.tv national transmission network. The national transmission network of e.tv is comprised of approximately 95 transmitters of different power levels.

- 2.4 e.tv is also a holder of an ECNS licence which it uses for very limited self-provision. The self provision component of the e.tv network is not significant or substantial. e.tv currently self provides a microwave link between its Hyde park offices and CNN in Johannesburg. e.tv's core focus is commercial television. As such e.tv does not have the in-house skills to manage the operation of its end-to-end signal distribution requirements and does not wish to make the significant investment that self-provision would require.
- 2.5 Given this, e.tv's preference has been and continues to be that it should not self-provide. e.tv has therefore continued its relationship with Sentech despite its dissatisfaction with the costs and the service levels provided.
- 2.6 In 2006, e.tv commissioned an independent analysis of the signal distribution costs charged by Sentech. The study concluded that the current Sentech signal distribution costs are inflated as they carry a large profit margin. Much of the Sentech infrastructure such as masts, roads and buildings were established between 1960 – 1980 and should have been completely depreciated. This is not reflected in the price structure used by Sentech in relation to signal distribution for e.tv.
- 2.7 While Sentech's analogue tariffs are inflated, it is the Digital Terrestrial Television (DTT) tariffs which may force e.tv to seriously consider alternatives to using Sentech for signal distribution, including the possibility of self-provision, in future. The tariffs

which e.tv has been provided are a multiple of e.tv's current signal distribution costs and in e.tv's view are completely unreasonable and without any rationale.

2.8 In contrast to what Sentech has proposed, the independent study referred to above confirmed that digital transmission costs during dual illumination should be less than 20% of the current analogue transmission costs. However, the suggestion by Sentech has been to charge e.tv an amount in excess of 500% of its current transmission costs.

2.9 e.tv's difficulty is that, at present, other than Sentech, only Orbicom provides broadcast signal distribution services. However, it can only meet a limited part of e.tv's signal distribution requirements.

2.10 Orbicom is wholly owned by one of e.tv's competitors, Multichoice. In addition, it appears virtually certain that it would not agree to offer e.tv services. In this regard, Orbicom has stated in response to an e.tv request for proposals regarding signal distribution (dealt with further below) that it cannot conclude an agreement with e.tv, unless directed otherwise, as it is "primarily involved in the provisioning of services to the Naspers group of companies".

2.11 Even, leaving these issues aside, there are severe limitations as far as Orbicom is concerned.

- Orbicom's analogue network does not at present reach the 77% of the population which e.tv is required to meet in its licence conditions.
- In addition, as a free-to-air broadcaster which competes with the SABC, it is critical for e.tv to be located at the same transmitter sites as the SABC channels. This means that, in order to receive both the SABC and e.tv, a viewer's receiving antenna only has to point towards a single transmitter (i.e. it has to point in one direction). If e.tv was broadcast from Orbicom sites, viewers would likely have to buy an additional antenna to receive both e.tv and the SABC. The second antenna would need to point in a different direction. Particularly given that the SABC

broadcasts three channels and e.tv only one, this would likely be highly prejudicial to e.tv. There is also the potential for additional cost to the consumer as they would need to purchase a second antenna. Thus, as long as SABC channels are being transmitted from Sentech sites, it would be difficult for e.tv to consider being located elsewhere.

2.12 In 2009, e.tv issued an RFP for broadcasting signal distribution services required for DTT. Sentech, Orbicom, Neotel and Telkom were approached. Responses were received from Sentech, Telkom and a consortium comprised of Telemedia, Ericsson and Inala broadcasting. Neotel did not respond. As indicated above, Orbicom declined to participate on the basis that it is “primarily involved in the provisioning of services to the Naspers group of companies”. Telkom indicated that they would only provide leased line infrastructure and not transmission services. The consortium response was inadequate for e.tv's requirements. This meant ultimately that only Sentech provided a comprehensive response thereby confirming that e.tv has no option but to use Sentech. Sentech's response indicated that, in respect of a multiplex carrying eight channels, the signal distribution costs would be 560% more than e.tv's current signal distribution costs. This is unreasonable and not justifiable on any basis. For reasons of confidentiality, e.tv is unable to provide the Sentech response to the RFP but urges the Authority to request this information from Sentech.

2.13 In summary, e.tv has considered alternative suppliers but no suitable such suppliers exist.

2.14 e.tv believes it would be unlikely for there to be new supply alternatives for broadcast signal distribution to appear in the next 2 - 3 years. e.tv is unaware of any new entrants into the market.

2.15 Moreover, it would be very difficult for any new players to enter into the market. The SABC is closely tied to Sentech given that both are state controlled entities and is also

required by section 8(g) of the Broadcasting Act to use Sentech, as the common carrier, for its broadcasting signal distribution. DSTV and M-Net are both closely tied to Orbicom as all three form part of the Naspers group of companies. That means that the only television broadcaster that could even possibly make use of a new signal distributor would be e.tv. Even for e.tv, there is the constraint (as set out above) that it would wish to broadcast from Sentech sites given that the SABC is broadcast from Sentech sites.

2.16 Even in the unlikely event that e.tv would be prepared to be broadcast from different sites to the SABC, it is unlikely that e.tv's business alone would be sufficient to sustain a new entrant into the market. It is therefore very unlikely that a new entrant could be commercially feasible, given the established relationships that presently exist in the industry. All this serves to entrench Sentech's dominant position and virtual monopoly insofar as e.tv is concerned.

2.17 e.tv points out that both SABC and Sentech are owned by the same shareholder and it is accordingly unlikely that the SABC would in any way question or pressurize Sentech regarding its tariff and pricing structure. This is so despite the fact that SABC is Sentech's largest client.

2.18 As far as new technologies are concerned, due to the lack of internet and broadband penetration we do not believe that internet streaming offers a viable alternative for the distribution of our content to consumers. e.tv is required by its licence to reach 77% of the population. Moreover, e.tv's business model depends on it reaching a very large audience nationally. e.tv is a free-to-air service and there is an expectation among our audience that they should be able to receive our content without having to pay. Free delivery via broadband is unlikely in the medium to long term if at all.

2.19 The key development which e.tv anticipates in the next 2-3 years is the migration to Digital Terrestrial Television (DTT). As detailed earlier, based on the proposals from

Sentech which e.tv has had sight of, unless tariff regulation is introduced, broadcast signal distribution costs will rise significantly for DTT.

2.20 Until such time as there is tariff regulation, e.tv has virtually no ability to engage in meaningful negotiations with Sentech on these tariffs. This is because, as has been made clear earlier, Sentech is in effect the only signal distributor that e.tv can use. The only other existing signal distributor is Orbicom which does not have an adequate offering for e.tv and has in any event declined to provide signal distribution services to e.tv. e.tv's preference is not to self-provide for the reasons set out elsewhere in this response. Finally, there is no real likelihood of a new entrant into the signal distribution market over the next 2 – 3 years. This means that Sentech can charge e.tv unreasonably high prices with the knowledge that e.tv is forced to accept these prices as it cannot go anywhere else for signal distribution services.

2.21 The effect of all of this is that Sentech can effectively set patently unreasonable and unjustifiable tariffs, because it knows that e.tv has no other option. This is demonstrated by Sentech's response to e.tv's RFP for signal distribution services last year, which was broadly distributed. Sentech's response to the RFP contained unreasonable and unjustifiably high tariffs because it knew that, even in a response to an RFP like this, there would be no adequate alternative for e.tv to use. Regulation is therefore imperative.

2.22 In summary, the primary problem with the broadcasting transmission market is that Sentech is, in effect, the only signal distributor that an entity like e.tv can use and faces no real competition in this regard.

2.23 In effect, this means that Sentech is able to charge over-inflated to broadcasters and generate funds to subsidise its telecommunications projects which have according to Sentech "cost the company dearly"¹. In its Strategy Review and Business Plan dated October 2010 Sentech admits that the costs of the flawed MyWireless project were "subsidised by the signal distribution business" (at page 3). This means that Sentech

has been charging e.tv unreasonable and non-market related costs so that it could engage in non-core activities including its failed telecommunications projects.

3. ANSWERS TO QUESTIONS FROM CHAPTER 3: BROADCASTING SERVICES TRANSMISSION MARKET IN SOUTH AFRICA

3.1 Q1 Do you agree with the Authority's characterization of the Broadcasting Market in South Africa? Please provide any additional information that can be used by the Authority in more detail the structure of the market.

Please refer to section 2 above for further information on the structure of the market. e.tv's is in broad agreement with the Authority's characterization of the market specifically that:

- In South Africa today, the majority of end users receive radio and television via terrestrial networks
- As of today, the situation in the market for delivering television to end users in South Africa is such that a significant percentage of end users cannot choose platforms other than terrestrial for receiving television programming
- Alternative technologies are not sufficiently pervasive at the present time
- Sentech is the main provider of wholesale broadcasting transmission
- Managed transmission services (MTS) is the main product supplied by Sentech to radio and television broadcasters seeking access to the terrestrial network

3.2 Q2 Do you agree that retail and wholesale leased lines provided for broadcasting transmission conveyance should be considered in a separate market review by the Authority at some point in the future? If not, please provide a detailed response and rationale for your view?

Yes, e.tv is of the view that the Authority should review the leased lines provided for broadcasting transmission conveyance. Sentech is currently the only provider of this service as there is no clarity on whether Sentech allows broadcasters to self-provide the distributions lines to its transmitters.

3.3 Q3 Has the Authority correctly characterized the broadcasting value chain in South Africa? if not please provide additional information?

e.tv is in broad agreement with the Authority's characterization of the broadcasting value chain.

3.4 Q4 Has the Authority correctly characterized the potential competitive dynamics of alternative distribution platforms in South Africa?

e.tv agrees with much of the Authority's analysis of alternative distribution platforms but wishes to reiterate that other technologies such as Web TV, IPTV and Mobile (DVB-H and Streaming) are not really alternative means of distribution but complementary. It is e.tv's view that these technologies can never be used for free-to-air broadcasting as the end user would then have to spend money on broadband to receive the free-to-air services.

3.5 Q5 How do the transmission requirements of broadcasters differ, depending on the geographic footprint of the licence?

The geographic footprint of the licence impacts on the extent to which a licensee can more easily self-provide. If a licensee requires only a limited geographic footprint it can

conceivably do so by putting up a single transmitter at a reasonable cost and without having to hire many additional staff. It is a far more complex enterprise for a licensee to self-provide a national network.

- 3.6 Q6 Do you agree that the type of sites required by broadcasters will differ according to the geographic footprint of their licence? The larger the footprint of the licence, the greater the likelihood that broadcasters will need to transmit from purpose built transmission sites.**

Yes, generally speaking, large footprints require transmission from high sites which are purpose built transmission sites, of which there are a limited number.

4. ANSWERS TO QUESTIONS FROM CHAPTER FOUR: MARKET DEFINITION ISSUES

- 4.1 Q8 Do you agree that the appropriate wholesale broadcasting transmission service is a Managed Transmission Service? If not, please provide information on an alternate product definition.**

e.tv agrees with this product definition. e.tv characterizes the wholesale broadcasting transmission service it receives from Sentech as a Managed Transmission Service.

- 4.2 Q9 Do you agree with the list of retail markets that have been identified by the Authority?**

e.tv does not entirely agree with the list of retail markets identified by the Authority. The definition of the market will depend on the circumstances in which it is being defined.

However, in general, e.tv is of the view that the Authority has incorrectly conflated separate markets and may, in certain circumstances, also need to distinguish not only between terrestrial and satellite but also between free-to-air and pay.

e.tv agrees with the Authority that radio content broadcast to end-users forms its own market.

4.3 Q10 Do you agree with the list of wholesale markets for MTS that have been identified by the Authority?

e.tv is in agreement with the list of wholesale product markets for MTS:

- MTS for terrestrial television broadcasting (analogue and digital)
- MTS for radio broadcasting (local)
- MTS for radio broadcasting (non-local)
- MTS for satellite broadcasting

4.4 Q11 Do you agree that MTS for satellite and for terrestrial are in separate markets?

e.tv agrees that MTS for satellite and terrestrial are in separate markets for various reasons including the following:

- The differing coverage achieved by the respective networks

- The extent to which end-users access the respective networks in South Africa
- The differing equipment required by end-users to access the respective networks
- The technical inability of a terrestrial broadcaster to broadcast via satellite instead (and vice versa)

4.5 Q12 Do you agree that MTS for radio and MTS for television are in separate markets?

Yes

4.6 Q13 Do you agree that MTS for local radio broadcasting is in a separate market to MTS for national and/ or regional radio broadcasting?

Yes

4.7 Q14 Do you agree that MTS for Analogue and Digital broadcasting should be considered in the same market?

e.tv agrees that MTS for analogue and digital broadcasting should be considered in the same market as in general the same sites will be used for both analogue and digital terrestrial broadcasting until analogue broadcasting is switched off.

4.8 Q15 Do respondents agree that the geographic markets for all markets defined for MTS on the terrestrial network are national in scope?

Yes

4.9 Q16 Do respondents have any views on the correct geographic market definition for satellite broadcasting services? Should it be defined as national or transnational?

e.tv is of the view that the correct geographic market for satellite broadcasting services is national as broadcasting licences and content agreements are most frequently national in scope.

4.10 Q17 Do respondents have any views on why any other licensee that own high sites (apart from Sentech) would not wish to provide wholesale broadcasting transmission services?

e.tv believes there are a number of factors which collectively impact on the appetite of other owners of high-sites to provide wholesale broadcasting transmission services. These include:

- High costs associated with transmission network roll-out
- Provision of funding by the state to Sentech to roll-out the DTT network
- Existence of Sentech's ever-green contracts with many television and radio broadcasters
- Complexity which would arise from frequency planning with multiple reference transmission sites (using the high sites of another owner).

5. ANSWERS TO QUESTIONS FROM CHAPTER 5: ASSESSMENT OF MARKET POWER AND IDENTIFICATION OF LICENSEES WITH SMP

5.1 Q18 Do you agree with the initial views of the Authority that Sentech has SMP in the market for MTS for national terrestrial television broadcasting.

Yes e.tv is in agreement with this view, based on:

- Sentech's dominant market share which it has maintained for a number of years
- The lack of competitors to Sentech
- Lack of counter-veiling bargaining power by broadcasters or consumers
- Access by Sentech to government funding
- Existence of a number of significant barriers to entry including:
 - Existing commercial relationships
 - Long-term contracts
 - Specialised nature of broadcasting technology
 - Established procurement, installation, maintenance and monitoring systems to deliver broadcasting transmission services
 - Significant upfront costs

Please refer to section 2 for further background information on the e.tv's direct experience of the dominant position of Sentech in the broadcasting transmission market.

5.2 Q19 Do you agree with the initial views of the Authority that Sentech has SMP in the market for MTS for the purpose of national terrestrial radio broadcasting?

e.tv has no direct knowledge of this market but is in agreement with the Authority's analysis laid out in the Discussion Paper.

5.3 Q20 Do you agree with the initial views of the Authority that Sentech has SMP in the market for MTS for the purpose of local terrestrial radio broadcasting?

e.tv has no direct knowledge of this market but is in agreement with the Authority's analysis laid out in the Discussion Paper.

5.4 Q21 Do you agree with the initial views of the Authority that the market for MTS for the purpose of satellite broadcasting is effectively competitive and falls outside of its jurisdiction due to its trans-national nature?

e.tv agrees that in certain respects the satellite wholesale broadcasting transmission services market appears effectively competitive i.e. there are multiple trans-national providers of satellite transponder capacity. However, this does not mean that the market as a whole is effectively competitive.

In its Discussion Paper, the Authority makes reference to Orbicom, ODM and Sentech's Vivid platform, but in reality, only a very small number of South African households use either the Vivid platform (under 100 000) or the ODM platform (unknown but estimated to be under 200 000) meaning that Orbicom's Multichoice platform (over 3m households in South Africa) is clearly dominant. Orbicom /Multichoice operated over a number of years

in the South African market in the absence of any regulatory oversight and any competition during which time it was able to consolidate its position. Orbicom/Multichoice also has the majority of satellite transponder capacity available to cover South Africa.

Orbicom's satellite platform is a closed, proprietary system which broadcasters are unable to access unless they reach commercial agreement with Orbicom / Multichoice. The commercial terms proposed by Orbicom / Multichoice are frequently onerous and sometimes require, among others, content approval, exclusivity provisions, the payment of certain fees and costs and the sharing of revenue. Given that no other satellite platform can offer the penetration of households which Orbicom / Multichoice does, broadcasters have no option but to accept Orbicom / Multichoice's terms should they wish to be present on the satellite platform. The importance of being on the satellite platform is becoming more and more apparent - the audience share of the Orbicom / Multichoice platform has, in 2011, for the first time exceeded the audience share of the e.tv channel. The size and strength of the Orbicom / Multichoice platform therefore makes it imperative for broadcasters to be present on that platform. The difficulty is that Orbicom / Multichoice are in a position to solely determine the terms on which broadcasters can access their platform.

The Authority makes reference to the must carry regulations stating that the regulations provide for satellite broadcasters to carry PBS channels at no cost. Leaving aside the shortcomings of those regulations, e.tv notes that they do not apply to e.tv and therefore there is no regulation governing e.tv's presence on the Orbicom/ Multichoice satellite platform.

In summary, the nature of the market does not support the Authority's conclusion that "customers of MTS for satellite broadcasting have a range of options when choosing a supplier and can relatively easily switch between suppliers if required". It is, in fact, quite the opposite.

In light of the market conditions which exist in this market, e.tv strongly urges the Authority to carry out a full market analysis and consider the application of pro-competitive remedies in this market.

5.5 Q22 Do you have any data regarding the market, other than that used by the Authority to make its initial views?

e.tv has nothing further to add at this time.

6. ANSWERS TO QUESTIONS FROM CHAPTER 6: THE CONSEQUENCES OF MARKET POWER AND INITIAL VIEWS ON PRO-COMPETITIVE REMEDIES

6.1 Q22 Do the existing facilities leasing regulations adequately address the potential challenges with respect to entering into a Master Service Agreement with Sentech?

e.tv is aware of the Facilities Leasing Regulations and believes that, in theory, they have the potential to address the access issue. However, in practice they have not been used by third parties to gain access to Sentech's network. As e.tv does not self-provide, for reasons laid out in section two, the Facilities Leasing Regulations do not in and of themselves provide any remedy to the difficulties faced by e.tv. Nor have the Facilities Leasing Regulations given rise to other broadcasting transmission providers able to offer e.tv a competitive service to Sentech.

6.2 Q23 Are any amendments to the regulations needed to better cater for the potential consequences of SMP in the defined markets, or are separate regulations needed?

e.tv is of the view that separate regulations are required, which address issues such as transparency and, in particular, pricing.

6.3 Q24 Is access an appropriate remedy in light of structural concerns with the market?

While e.tv is not opposed to access, it does not believe access is a sufficient remedy, in light of the structural conditions in the market. Please refer to the answer to question 22 and section 2. e.tv is therefore of the view that the remedies adopted must include transparency and, in particular, pricing.

6.4 Q25 Is the proposed Transparency Obligation appropriate, proportionate and justifiable?

Yes, e.tv supports the transparency obligation. However, e.tv believes that it must be accompanied by a pricing remedy.

6.5 Q26 if the obligation is adopted, should the Authority provide a model RO, or should the obligation rest on the SMP operator to initiate the RO?

e.tv believes it is necessary and appropriate for the Authority to provide a model RO.

- 6.6 **Q27 What is the most efficient and effective way to make an RO available to all affected operators to use as they enter into negotiations with the SMP operator (website, library etc)**

Website

- 6.7 **Q28 Should existing agreements be amended to bring them into line with the terms of the published RO? If not, how should existing agreements be treated?**

Yes. If existing agreements are not amended to bring them into line with the terms of the published RO, then publishing the RO will have little effect and will not achieve the desired outcome.

- 6.8 **Q29 Is the proposed Non-discrimination obligation appropriate, proportionate and justifiable? Please explain?**

Yes. It will ensure that all players are treated in the same manner and can compete on a level footing.

- 6.9 **Q30 Are there other areas in addition to pricing and QoS where there are concerns relating to non-discrimination?**

Not at this stage.

- 6.10 **Q31 Should existing agreements be amended and if so, how?**

Yes, where existing agreements involve discrimination, this must be remedied. The agreements must be amended so that all players are treated equally.

6.11 Q32 Is the proposed pricing obligation appropriate, proportional and justifiable?

e.tv is strongly of the view that the proposed pricing obligation does not go far enough and requires significant strengthening. In particular, e.tv emphasizes the following:

- The existing prices for analogue transmission services are already substantially overinflated. It is therefore unhelpful and insufficient for the Authority to suggest only that pricing in the digital transmission era cannot be higher than these prices. Rather, the Authority should ensure that the existing prices are forthwith reduced to a fair and competitive level. This would be the case even if there were no impending transition to digital transmission.

- Nor is it adequate for the Authority merely to state that prices for digital transmission services “should be expected to be lower” than current analogue prices, “given the greater efficiency of the spectrum use”. What the Authority ought to do is:
 - (a) Determine the fair and competitive level for pricing for analogue transmission services; and
 - (b) Then require that the prices for digital transmission be reduced further and set these prices as well, in light of the greater efficiency of the spectrum use.

- Furthermore, the Authority’s apparent reluctance to set prices appears from the discussion paper to flow partly from the fact that Sentech did not “provide sufficient

information in response to the industry questionnaire to conduct proper cost analysis". This is, with respect, entirely untenable. Sentech cannot be allowed to undermine the efficacy of the current process by failing to provide this information. Indeed, the Authority should be ensuring that there is an obligation on Sentech to report on its actual costs, both now and in the future.

- Nor can the Authority defer the need to set prices to the "next review of these markets" as is suggested. e.tv has been subjected to substantial overcharging by Sentech for a substantial period of time and it has literally taken years for its multiple complaints to result in this process. It is therefore imperative that this process deals properly with the pricing issue, rather than avoiding or deferring it. To do so would fundamentally undermine the efficacy of ICASA's role as a pro-competitive regulator and threaten the success of DTT.
- e.tv welcomes the appeal process suggested by the Authority, provided that if an appeal is upheld, the Authority will set the appropriate price.

6.12 Q33 Do you agree with the light touch approach that the Authority proposes relating to cost orientation?

For the reasons set out in detail above, in response to Q32, e.tv does not agree with the light touch suggested in the context of the pricing issue.

6.13 Q34 Do you believe that a Regulatory Accounting obligation would be proportionate to the harm that the remedy seeks to address?

Yes, but e.tv does not believe that a Regulatory Accounting obligation would be sufficient – more is required to remedy the excessive pricing issue. e.tv refers in this regard to what is stated above, in response to Q32.

6.14 Q35 Should existing agreements be considered for amendment with respect to price?

Yes. If the prices set in existing agreements are not amended in accordance with the pricing process, licensees such as e.tv will continue to pay excessive prices and the ineffective competition in the market will not be effectively remedied.

e.tv emphasizes again that it has already been subjected to substantial overcharging by Sentech for a substantial period of time and it has literally taken years for its multiple complaints to result in this process. It is therefore imperative that an effective remedy is granted, which requires existing agreements to be amended.

7. CONCLUSION

e.tv re-iterates that it welcomes the Discussion Paper. However, e.tv urges the Authority to deal with the Discussion Paper expeditiously. For many years, e.tv has constantly complained about the various uncompetitive practices in the area of signal distribution and has requested the Authority to have a tariff enquiry with a view to regulating signal distribution tariffs on the basis that Sentech is able to set patently unreasonable and unjustifiable tariffs because it knows that e.tv has no other option insofar as signal distribution services are concerned. The need to have tariff regulation is that much more important with the transition to DTT. e.tv encourages the Authority to now take steps to ensure that the anti-competitive conduct of Sentech ceases and that there is transparency in pricing and the cessation of any form of discrimination in that sector of the market. e.tv also urges the Authority to carry out a full market analysis for MTS for

satellite broadcasting and consider the application of pro-competitive remedies in this market.
