

Portfolio Committee on Telecommunications and Postal Services seminar: What results have been achieved since 1994

3 February 2015

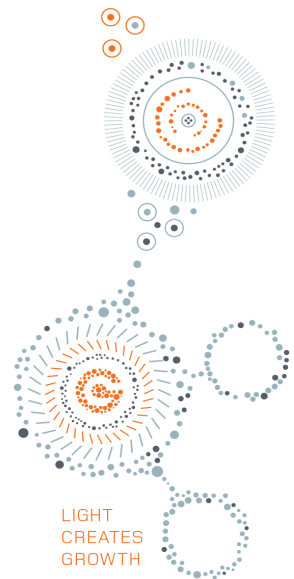


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Policy: Pre-1994



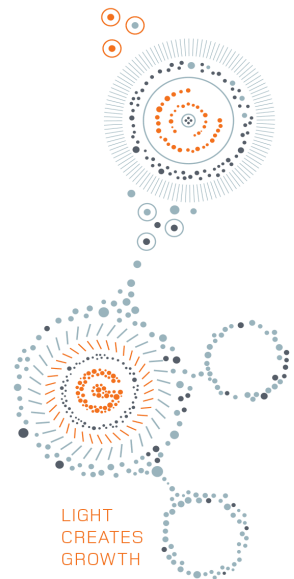
Background

- Segregated services
- State controlled
- Monopolistic behaviour driven by the State



Key legislative instruments

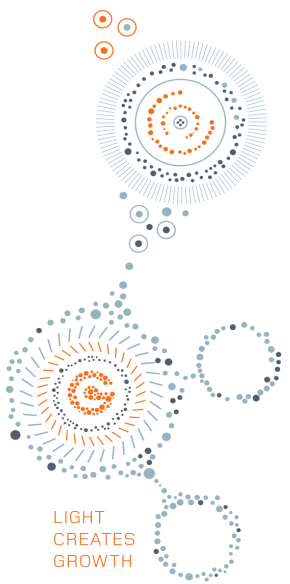
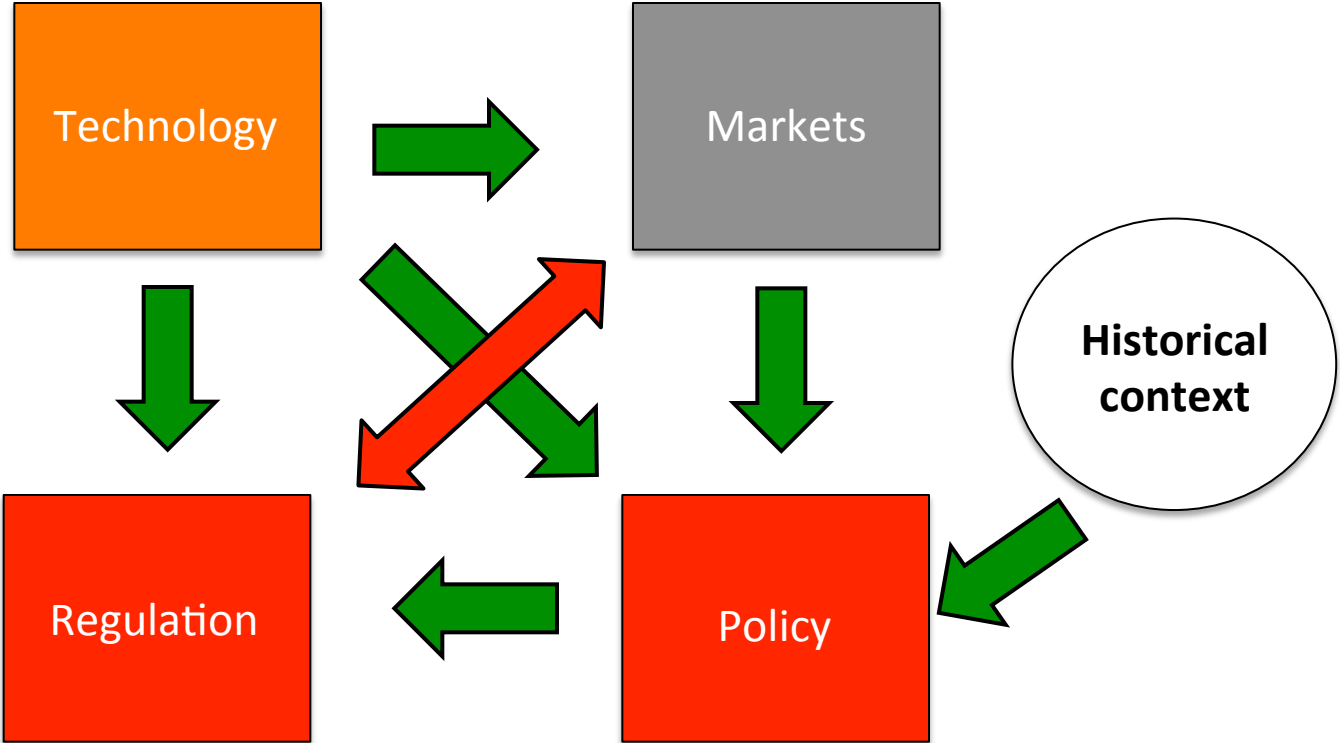
- Radio Act of 1952
- Post Office Act of 1958
- Broadcasting Act of 1976



Technology & market influences

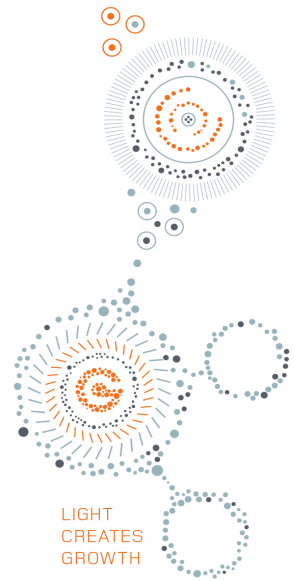


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Overview

- Major technology changes
 - Telegraph in 1830s
 - Telephone in 1880s
 - Radio and TV in 1930s
 - Satellite services launched in 1960s
 - Transistor and integrated circuits in 1970s
 - The Internet 1990s
 - Mobile telephony 1990s

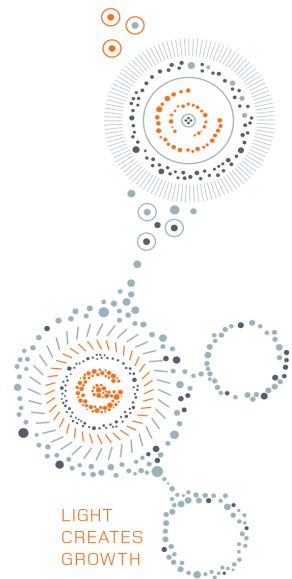


Market changes

- US, UK and Japan in late 1980s – 90s undergoing fundamental changes to the structure of their markets and had global ripple effects
 - Incumbents subject competition and in some cases forced break-ups
 - Rise of independent regulatory regimes
 - Licensing subject to universal service obligations

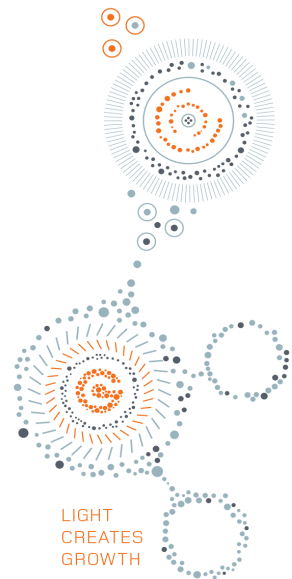


Policy: post-1994



Context

- Transformation of the sector to serve the needs of all SA citizens
- Monopolies seen as most efficient mechanisms to roll out large scale infrastructure – utility model accepted
- Managed liberalisation

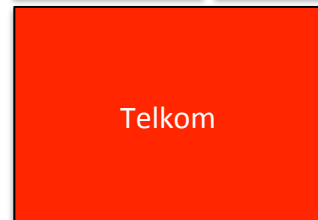
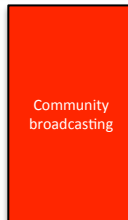


International developments

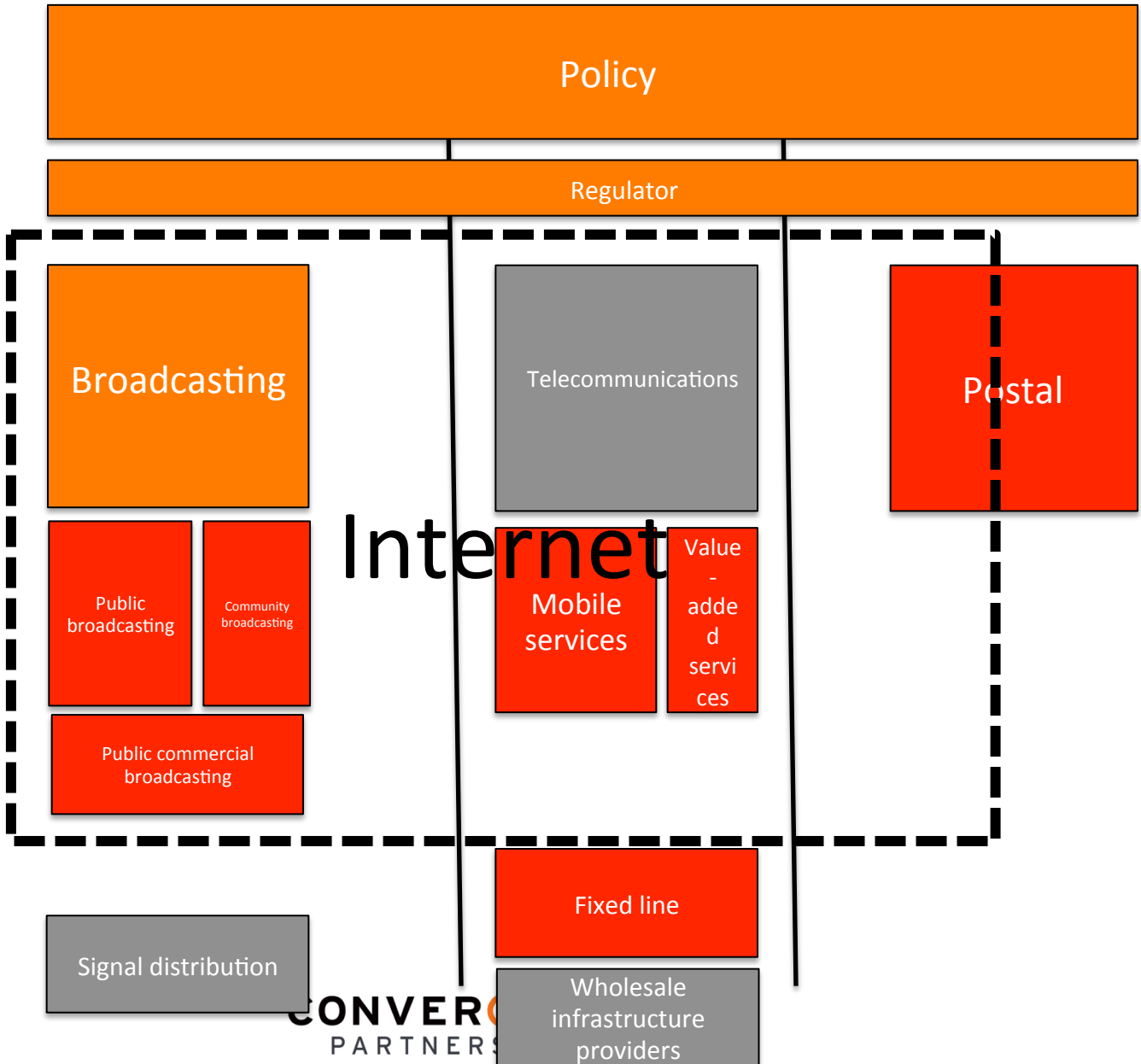
- Significant changes to international environment
 - AT&T split
 - BT and Openreach
- Converged regulators (FCC, OFCOM, etc.)
- Privatisation and competition



**Policy maker
also regulator**



Independent regulator



Legislation: South Africa

- Telecommunications Act of 1996
 - To make new provision for the regulation of telecommunication activities other than broadcasting, and
 - for the control of the radio frequency spectrum; and
 - for that purpose to establish an independent South African Telecommunications Regulatory Authority and a Universal Service Agency
- Broadcasting Act of 1999
 - to establish a new broadcasting policy for the Republic;
 - to clarify the powers of the Minister in regard to policy formulation and the Authority's powers with respect to the regulation and licensing of the Broadcasting system;
 - to provide for classes of broadcasting activities in the public interest and for that purpose-
 - to provide a Charter for the South African Broadcasting Corporation Ltd



Legislation: South Africa

- Postal Services Act of 1998
 - make new provision for the regulation of postal services; for the operational functions of the postal company, including its universal service obligations; for structural matters relating to postal services as well as the operation of the Postbank and National Savings Certificates
- IBA and SATRA = ICASA of 2001
 - Independent regulators of the ICT sector
- Electronic Communications and Transactions Act of 2002
 - Provide for legal certainty of electronic commerce
 - Support development of Internet and its effective governance
 - Address issues of cyber crime and security



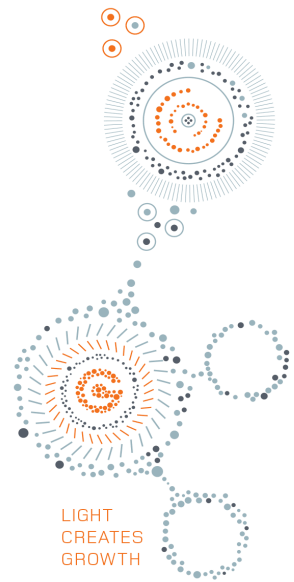
Institutional structures

- SABC corporatised and licensing of commercial radio
- USAASA
- USF
- NEMISA
- Telkom listing
- Institute for Satellite and Software Applications
- ICASA (IBA + SATRA)
- Sentech PTY



Realities of policy making

- Infrastructure based competition due to the significant backlogs, especially in marginalised communities
- State intervention required to address the market failure in meeting the universal access and service needs of the country
- Attempts at the introduction of “effective” competition within the historical context of incumbency



Conclusion

Imperfect, in hindsight but driven by developmental realities and imperatives of the time, including the need to ensure continued investment in the sector

Transformational imperative

Access to services by all citizens

Introduction of disruptive technologies driven by the Internet, today evident in the OTT players.

No context in which to determine the approach regulatory instruments to be applied other than those used in the traditional broadcasting and telco environments

LIGHT
CREATES
GROWTH

