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Telecommunications and Postal Services
REPUBLIC OF SOUTH AFRICA



The National Integrated ICT Policy White Paper

*Presentation to the Portfolio Committee on
Telecommunications and Postal Services*

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POLICY REVIEW PROCESS (5 STAGES)

FRAMING PAPER
GAZETTED

GREEN PAPER
GAZETTED

DISCUSSION
PAPER
November 2014

WHITE PAPER

POLICY



April 2013

January 2014



ICT Review Panel
Recommendations
Report April 2015



September 2016

> UNDERPINNED BY INVITATION TO
STAKEHOLDERS TO PARTICIPATE



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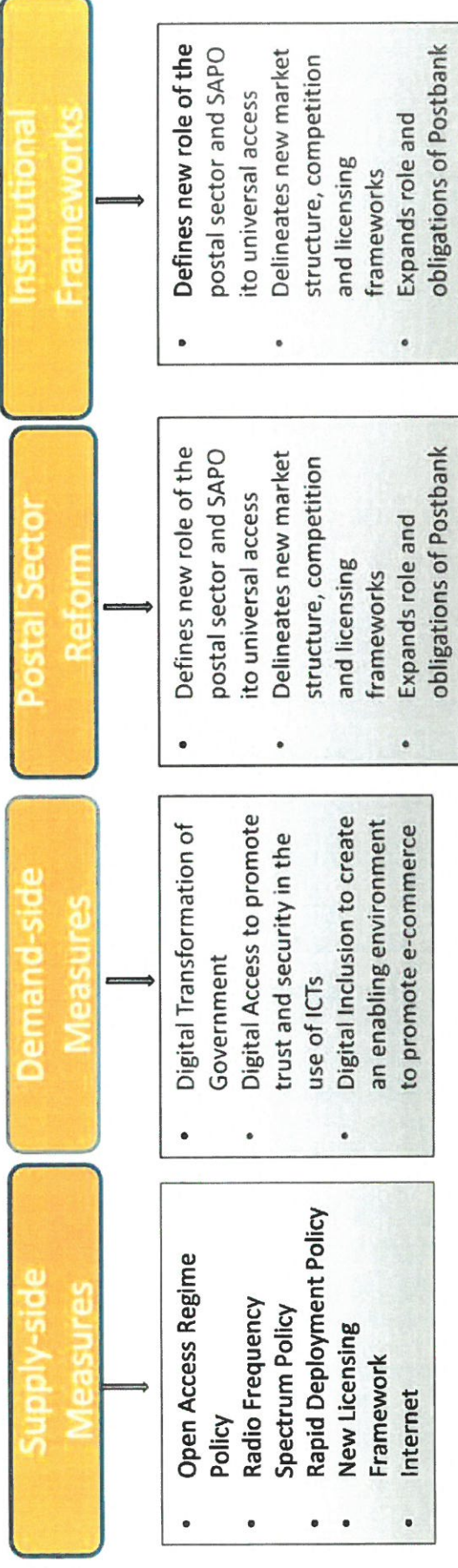
A new Policy- what is covered in the White Paper

- Replaces the current White Papers on Telecommunications and Postal Services
- It outlines the overarching framework for transforming South Africa into an inclusive and innovative Digital Society.
- It sets out interventions that will ensure all the people in South Africa, regardless of who they are, where they live or their socio-economic standing can improve the quality of their lives through accessing the benefits of participating in the digital society.
- These interventions include:
 - ✓ Interventions to promote universal service and access
 - ✓ Framework for building a digital society
 - ✓ New policy approaches to address supply side issues and infrastructure roll-out
 - ✓ New approaches on scarce resources such as spectrum and numbers
 - ✓ New approach for the postal services sector
 - ✓ Frameworks to increase ICT industry growth and transformation of the sector
 - ✓ The institutional frameworks to facilitate the realisation of the new policy approaches



ICT Integrated Policy Framework

Overarching Vision: Ensure universal service and access to all ICT networks, platforms, content and services so that all South Africans regardless of who they are, where they live, their social or economic status, benefit from the opportunities offered by the ICT sector to improve their quality of life





Chapter 5: Universal Service and Access

Challenges

- In a digital society, universal access to communications services is not just a tool to address inequality across society but also a precondition for equality.
- The digital divide persists- there is unequal access to ICT services, especially access to the Internet. Framework and definitions for universal service and access not extended to cover access to high quality broadband
- Duplication and lack of alignment in institutional framework and roles
- Overemphasis on subsidising network extension

Key principles

- Availability
- Affordability
- Accessibility
- Awareness
- Ability
- Quality of Services

Policy Interventions

- Minister is responsible for policy formulation on universal service and access
- Regulatory functions of USAASA are transferred to the new sector regulator
- Evolve universal service obligation to incorporate broadband connectivity
- Framework on consumer protection to be set and regularly reviewed
- Dissolve USAASA and transform USAF Fund into a stand-alone funding agency to support universal service and access- the Digital Development Fund



Chapter 6: Innovation and Fair Competition

Challenges

- Digitisation, convergence and changing technologies have affected the market structure. More vertically integrated companies.
- Market definitions changing as services that were previously distinct become increasingly substitutable
- Vertical and horizontal integration between content and telecommunications providers

Key objectives

- Encourage fair and sustainable competition to ensure all users have access to a choice of affordable services
- Promote certainty about the competition regulatory framework
- Ensure responsible and effective ex ante regulation where appropriate and relevant, based on regular evidence-informed reviews by the regulator

Policy Interventions

- Market reviews:- regulator to prescribe list of markets and market segments and conduct market reviews of these. Regulator to publish sector performance reports
- Strengthening capacity of the regulator by ensuring that there is a Memorandum of Cooperation between the regulator and the competition authorities
- Mergers and Acquisitions:- improved and increased cooperation between the regulators to avoid forum shopping and potential delays in the finalisation of M&As.



Chapter 7: The Internet

Challenges

- The Internet is disruptive in its very nature and has and will continue to impact in more ways on every aspect of people's lives
- Facilitating access by everyone to the opportunities offered by the Internet is therefore at the core of this policy.
- There is need for an integrated approach to governance of the Internet at an international and national level as well as policies on managing and administering the Internet in line with the vision set out in the World Summit on the Information Society (WSIS)

Key principles

- Management of the Internet should be multilateral, transparent and democratic, with the full involvement of governments, the private sector, civil society and international organisations
- All users must be able to legally access and share information and run and develop applications and services of their choice
- All lawful and legal Internet traffic must be treated equally, without discrimination, restriction or interference, regardless of the sender, receiver, content, device, service or application
- The Internet must continue to be based on open standards to facilitate innovation.

Policy Interventions

- Net Neutrality- sector regulator to hold an inquiry into extent to which intervention is required to uphold the principles of an Open Internet.
- Hosting and data centres:- government will put measures to encourage establishment of data centres
- Search and navigation:- facilitate development of local search and browser applications
- Electronic Numbering:- sector regulator to conduct an inquiry into the impact of ENUM technology protocols
- Internet governance:-sector regulator to identify issues related to Internet governance of relevance to SA and propose recommendations to address these



Chapter 9: Infrastructure and supply-side issues – Open Access Policy

Challenges

The following three key challenges have resulted in skewed network roll-out in South Africa:

- Ineffective regulatory regime
- Concentrated broadband infrastructure market
- High cost to communicate

Key principles

- Effective access to infrastructure by competitors that is easily obtained in reasonable locations using standardised interfaces.
- Transparency- access must be provided in a way that is clear to all market players. Access providers have to be transparent in the design of their offerings, their pricing and the terms and conditions associated with them.
- Non-discrimination- all access seekers must be granted access to networks in a non-discriminatory manner, for e.g a vertically integrated infrastructure provider cannot favour services affiliated with its own company.

Policy Interventions

Implementation of an open access regime in the mobile market- Wireless Open Access Network (WOAN)

- Public-private sector owned and managed consortium
- Regulator will be responsible for licensing the WOAN and ensure the consortium adheres to principles such as voluntary participation; competitive neutrality; compliance with BEE and provision of wholesale services



Chapter 9: Infrastructure and supply-side issues – Radio Frequency Spectrum Policy

Challenges

Radio frequency spectrum is a vital national resource. The right to spectrum vests with the state and all sectors of society should benefit from this limited resource. Three main challenges:

- Unclear roles and responsibilities
- Gaps in the spectrum management regime
- An exclusive spectrum regime which promotes economic growth for a few market players at the expense of broader socio-economic development

Key principles

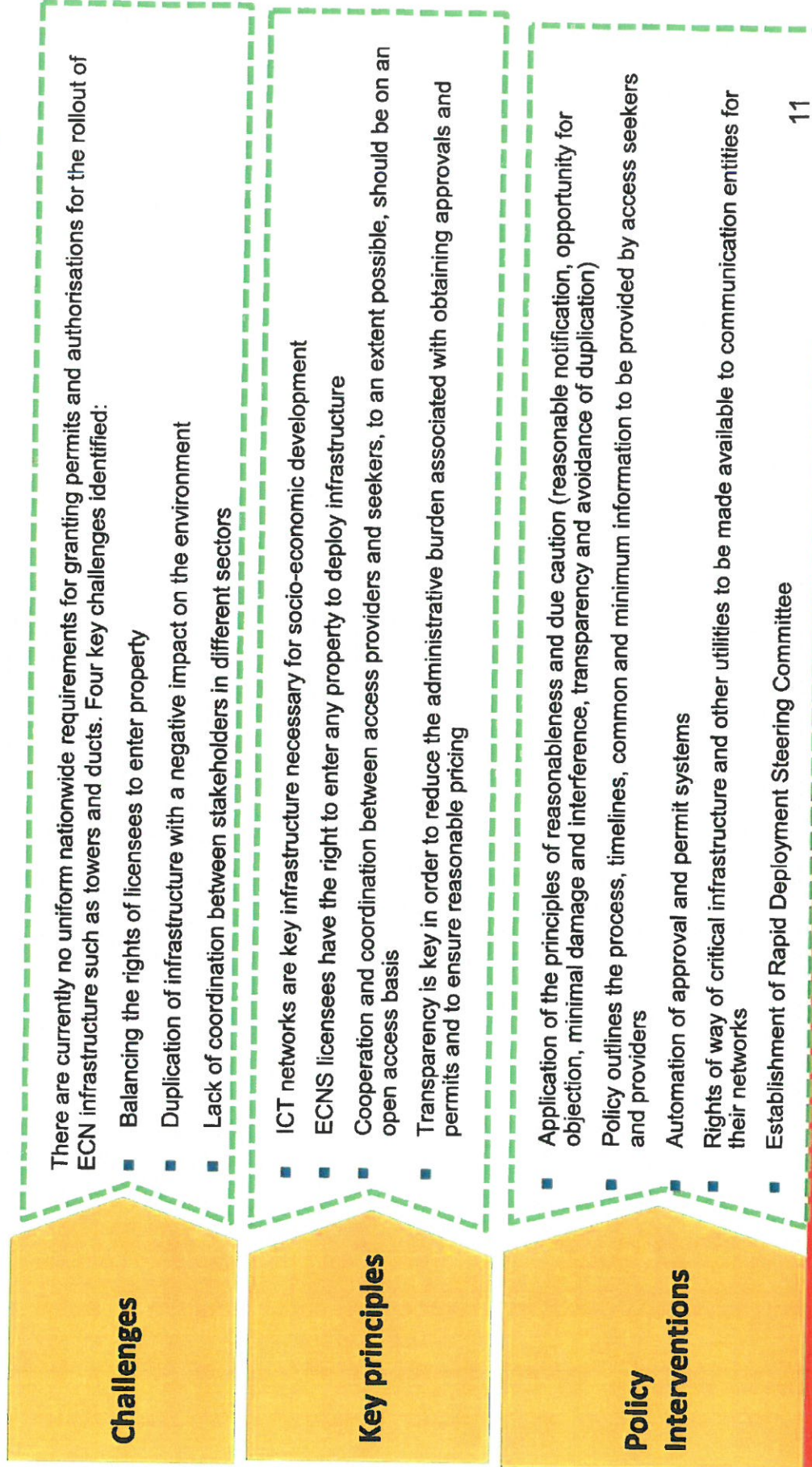
- Maximising the efficiency of spectrum used in South Africa
- Promoting openness, transparency and non-discrimination
- Promoting infrastructure sharing
- Application of use it or lose it principles to spectrum
- Predictability and certainty for policy makers, investors, users of spectrum resource and consumers

Policy Interventions

- A new clear framework that sets clear roles and responsibilities of the Minister, sector regulator and sector-specific agencies
- Alignment of national universal service objectives and spectrum licensing
- Spectrum fees:- AIP-based spectrum fee for commercial and public use; special dispensation for spectrum fees for provision of services that meet clearly defined public interest goals
- Spectrum trading of non-high demand spectrum is permissible, trading of high demand spectrum is not permissible
- All high demand spectrum to be assigned on an open access basis

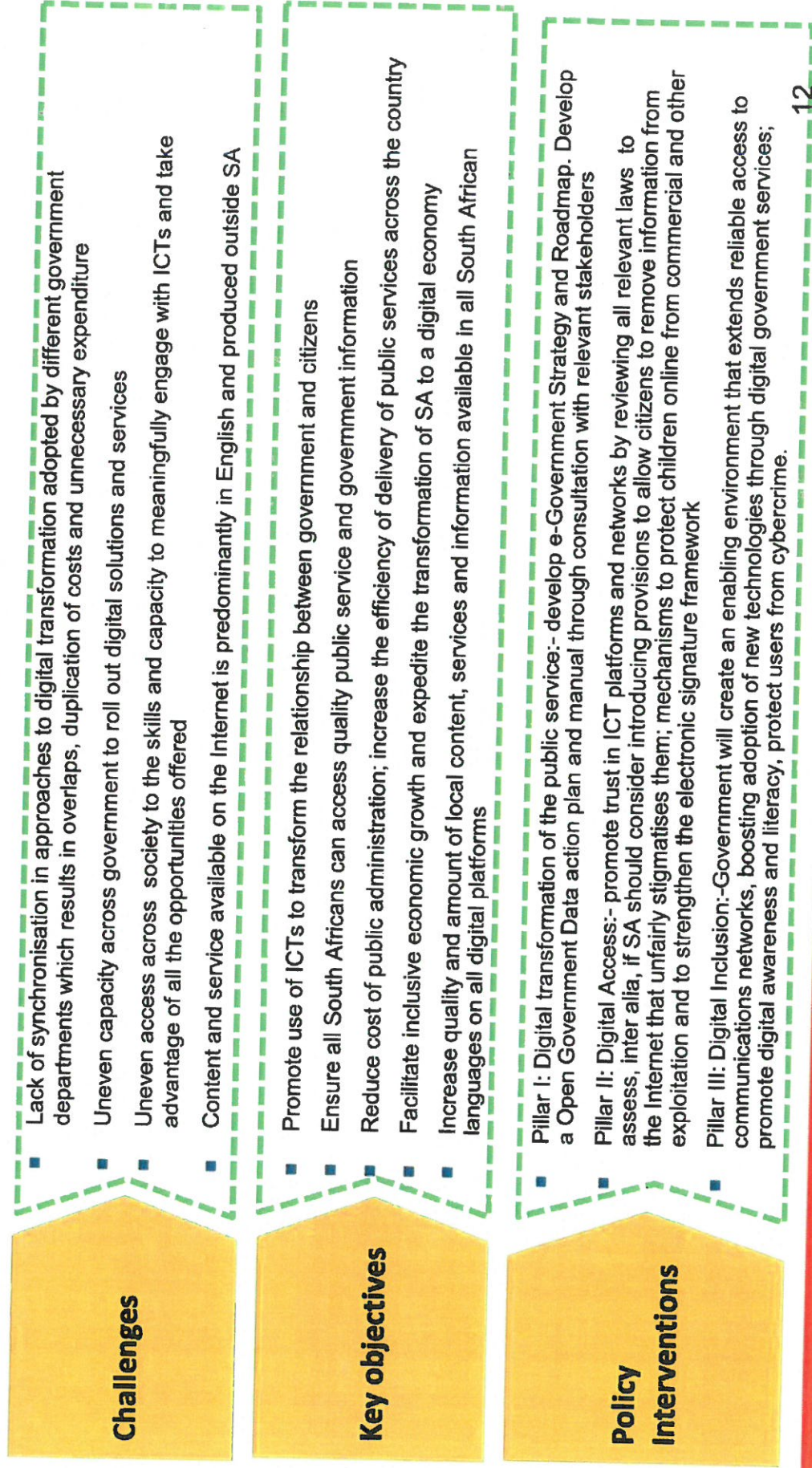


Chapter 9: Infrastructure and supply-side issues – Rapid Deployment Policy



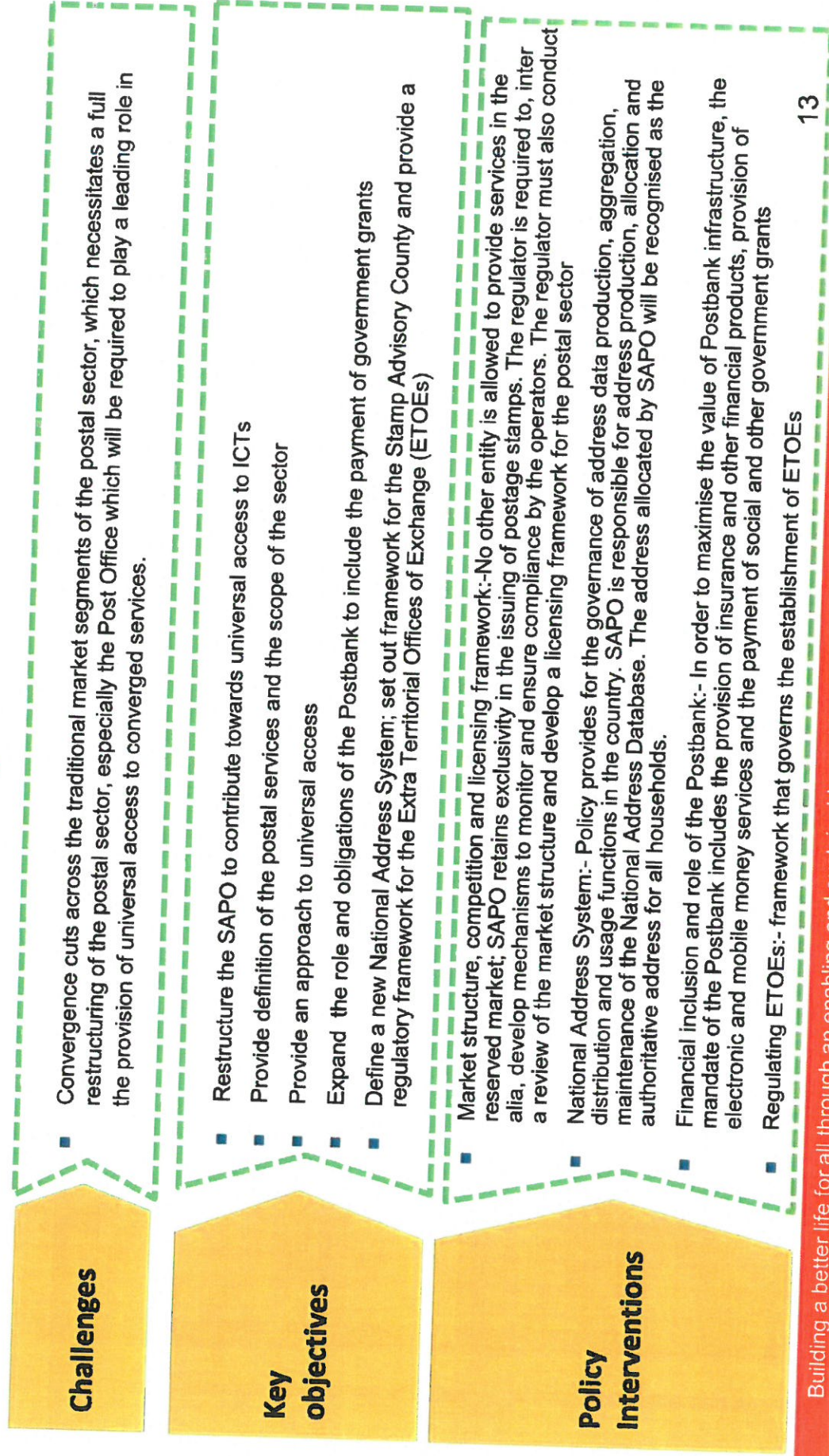


Chapter 10: A Digital Society



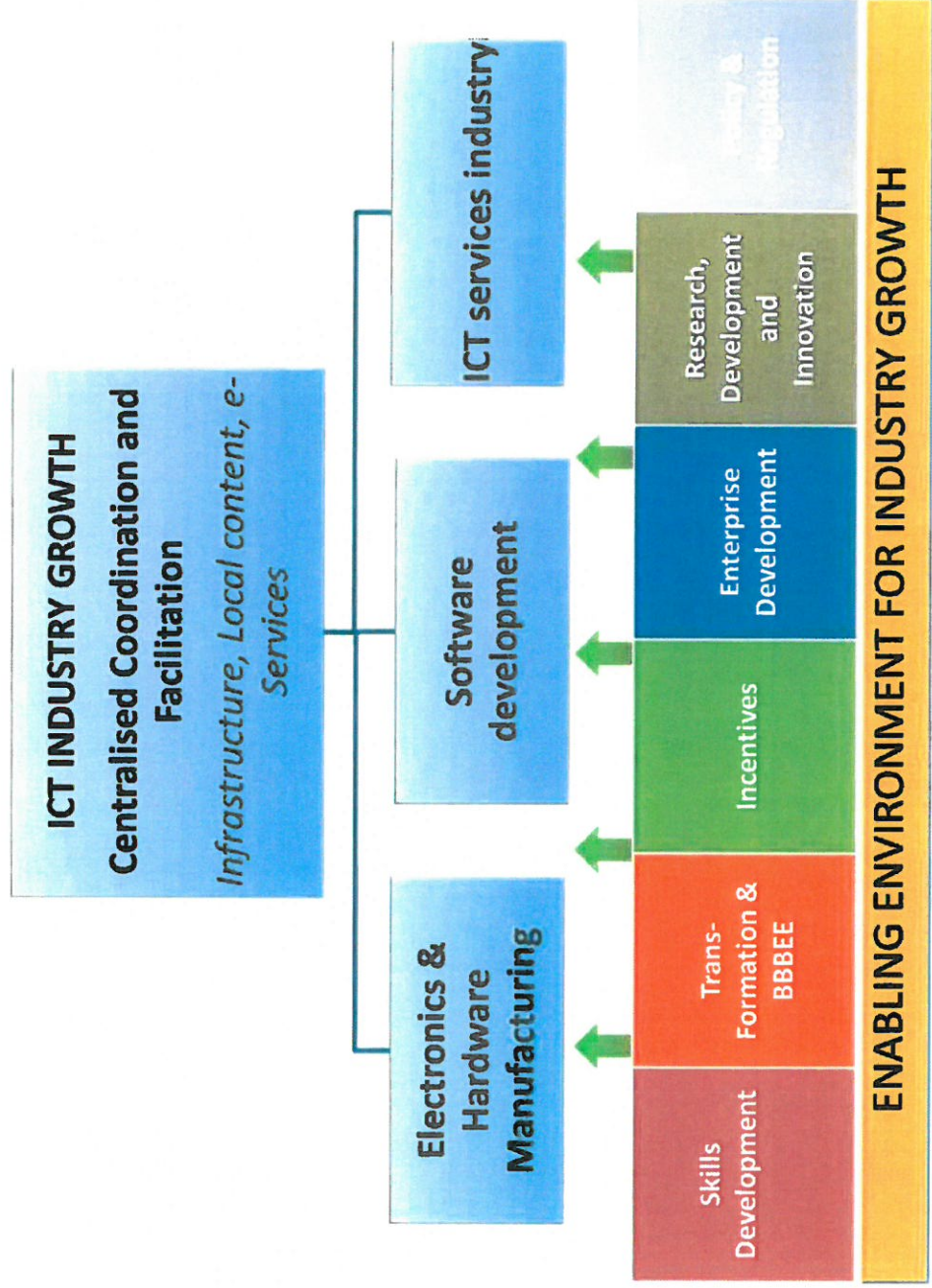


Chapter 11: Postal Policy





ICT Industry Growth





Chapter 13: Institutional Frameworks

Challenges

- Lack of coordination between different public entities, duplication of resources and inefficient and ineffective regulation has hampered the realisation of objectives set by Government
- Need for a whole-of-government commitment to digital transformation, a holistic approach to governance, regulation and administration of the ICT sector and coordination across the Internet and digital value chain
- Regulation of the ICT sector currently spread across different entities including the Ministry, ICASA, .zaDNA and USAASA
- Challenges with structures put in place to address current and possible digital divides

Key principles

- Institutions must have a distinct mandate focused on meeting clearly articulated public goals
- Regulation of the sector must focus on realising Government's objectives for the sector and ensuring maximum public benefit from public resources. The regulator will fulfil its mandate freely, fairly and impartially
- Government's obligation to ensure inclusive and sustainable development and its responsibility therefore to counter market failure and ensure equity will be paramount

Policy Interventions

- USAASA and USAF dissolved to create the Digital Development Fund. This is a distinct fund that will provide support for both infrastructure and targeted demand stimulation projects and programmes and will be funded through private sector levies, donor funding and incremental state funding
- A new ICT sector regulatory and Tribunal will be established to regulate the sector across the entire ICT value chain, including the Internet value chain and postal sector. This regulator will have sole responsibility for overseeing and promoting Internet governance, licensing and regulation of networks, services, spectrum and other scarce ICT-related resources. The Tribunal will be established to appeal the decisions of the regulator/and or its committees



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