



**COMMUNICATION WORKERS UNION  
SUBMISSION ON DRAFT DIGITAL MIGRATION  
STRATEGY**



**SUBMITTED ON 17 JUNE 2008 TO THE PORTFOLIO COMMITTEE ON  
COMMUNICATION**

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## 1. Introduction

The Communication Workers Union has great pleasure in providing some comments to the strategy. CWU is of the view that broadcast digital migration (BDM) is necessary in the information age, especially in the current era of convergence of technologies. This however should not undermine the fact that the majority of the population is constituted by the working class and the poor.

We take note of the recent developments on the legislative, policy and strategic levels. We specifically note the promulgation of the Electronic Communications Act ('ECA'), the ICASA Amendment Act 2006, the Information Society and Development ('ISAD') Plan as adopted by Cabinet in January 2007 and the budget votes as presented by the minister of communication and her deputy on 3 June 2008.

CWU supports the broadcast digital migration, but with certain conditions. These are identified and set out below.

## 2. Strategic nature of ICT infrastructure

The Information and Communication Technology infrastructure is a public asset in the main and should remain as such.

SENTECH as the distributor of signalling needs to be strengthened financially and in terms of human resources to ensure sustainable migration. The draft argues that broadcast migration is ultimately dependent on a process of market and industry restructuring. The argument is flawed by the fact that the majority of South Africans are viewers of the public broadcaster and industry restructuring will affect the poor and working class. Any restructuring of the industry must be informed by the interests of the majority and must be done in a procedural, legal and transparent manner with the involvement of labour.

We are particular concerned with the proposed structural changes that is envisaged for Sentech. The proposal to outsource Sentech's role in the EASSY cable and wireless

broadband segment illustrates a flaw in planning from government. We believe that a discussion should be held with labour to ensure that no jobs are lost due to poor planning.

Whilst acknowledging the complexity of digital broadcasting as well as the need for quality broadcasting of the 2010 World Cup we don't believe that a technical partner for Sentech is the best recipe. A thorough discussion is needed that will aim to determine the reasons for the lack of capacity and to arrive at a joint solution with labour.

### **3. Universal service and access**

"Every person must have access to multimedia services including broadcasting." The ICT sector summit agreement reached at NEDLAC level has underpinned universal access and service as one of its priorities. Universal services cannot be divorced from affordability. By implication the services and equipment must be affordable to the majority, which directly relates to the set top boxes and other services linked to broadcast digital migration. CWU therefore supports the idea of a subsidy for the purchase of set top boxes.

### **4. Content production**

The development and promotion of local content is a long standing struggle for the workers in South Africa. Digital migration is an opportunity to ensure that South African, regional and continental stories, lifestyles, etc are reflected.

We believe that broadcast digital migration creates an opportunity to ensure that the interests of all constituencies are catered for in content production, including the working class. It is no secret that there is generally poor coverage of labour issues in comparison with business issues. This is largely due to the rush to attract advertising revenue. There is not a single programme on either the public broadcaster or the other private broadcasters that is dedicated to labour issues exclusively like that of business interests.

### **5. Consumer issues**

It is acknowledged that fixed broadband cable is the option that offers the largest bandwidth and can therefore be utilised for other services such as e-government and other interactive services. Satellite reception is however more cost effective. CWU is of the view that all platforms should be used with the clear understanding that the primary objective is affordability and access.

A clear communication plan throughout the process should be prioritised to ensure that:

- The public is involved from step one
- Public be informed about TV sets that are not HD ready, which may be sold at very cheap prices
- The public awareness is created about all aspects of digital migration

Consumers should be protected and equipped with the correct information in a timely manner.

The advisory committee must ensure that the implementation strategy specifically be biased towards vulnerable groups such as people with disabilities, people in rural areas and the poor.

## **6. Frequency management**

Frequency spectrum is a scarce public resource and should be managed in the interest of the poor and the working class, who constitutes the majority of the population. The ANC's 52<sup>nd</sup> conference in Polokwane also emphasised the strategic nature of the frequency spectrum. As CWU we believe that the allocation of frequency should not confer ownership or an endless right to frequency. The ownership, management and right to frequency should be vested in the government and its agencies on behalf of the people of South Africa to ensure its efficient usage. The allocation of frequency spectrum should further contribute to the developmental agenda including diversity.

It is especially important that proper planning should be a priority so that the usage of the envisaged freed-up spectrum after switch-off must ensure development of the public broadcasting industry as well as government services such as e-government.

## **7. Capacity building**

Another scarce commodity in South Africa is skills, in particular in the ICT sector. The correct set of human resources matching the requirements of the industry should be in place throughout and beyond the migration to digital broadcasting. All the relevant SETA's (MAPPSETA, ISETT SETA) must develop the required skills to ensure, not only successful broadcasting of the 2010 World Cup, but also a digital broadcasting skills legacy.

The effect of digital migration on workers in the sector needs to be prioritised and as CWU we propose that the incoming advisory council include the issue of capacity building in its terms of reference. This will allow the council to be proactive and advise the minister so that certain interventions are made on a governmental level to ensure the creation and retention of sustainable jobs in the sector.

## **8. Set Top Boxes**

CWU's approach to the issue of set top boxes is informed by the belief that:

- The state should be a leading investor in broadcasting
- The state should promote the manufacturing of all major components as part of the creation of decent and sustainable jobs
- Bridge the digital divide within and outside of South Africa

It is proposed that the design, manufacturing, marketing, sales and after sales of the set top boxes should be a proudly South African project. It is of utmost importance that this objective be realised. We particularly welcome the announcement of the Honourable Minister of Communication, during her department's budget vote that:

- A strategy will be developed to "build a first class Set Top Box manufacturing sector which will grow into an electronics manufacturing sector". Labour look forward in participating in the development of such a strategy



- "The set top box control system will not be used to switch off viewers"

Digital Terrestrial Television uptake will be influenced by a number of factors including, but not limited to: the 2010 World Cup, improvement in the quality of picture/audio and mobility. Minimum quality standards for set top boxes should be identified by SABS and ICASA.

#### **9. Subsidy of set top boxes**

As indicated above as CWU we believe that the poor and the working class need to be subsidised. It should be free of charge for recipients of social grants and at the lowest possible price for the rest of the population. Funding should be sourced from the Universal service and access fund as well as the broadcasting industry through a mechanism.

The distribution of set top boxes can be done through the only national channel with a footprint in urban and rural communities, i.e. the South African Post Office.

#### **10. Technical arrangements**

We generally support the standards proposed, i.e.:

- DVB-T (EN 300 744), the most commonly used standard for digital terrestrial television
- DVB-S (EN 300 421) for digital satellite broadcasting
- Eureka 147 (ETSI EN 300 401) and DRM (ETSI ES 201 980) as complementary standards for digital terrestrial radio.
- DVB-H for mobile digital television
- MPEG-4 as the compression standard and existing DTH services continue to use MPEG-2 and to move to MPEG-4 later
- MPEG-4 (Part 10) with AAC and Dolby AC3 support, 702p and moving to 1080p

We do not support the view that market forces should be allowed to dictate the standards of digital satellite radio.

IPTV should be supported only if it is affordable and accessible.

END