

GOVERNMENT GAZETTE

OF THE

REPUBLIC OF NAMIBIA

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General Notices

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

No. 393

2016

NOTICE OF INTENTION TO MAKE REGULATIONS SETTING OUT FEES FOR SPECTRUM LICENCES, CERTIFICATES AND EXAMINATIONS

The Communications Regulatory Authority of Namibia, in terms of section 38(5), 101 and 129 of the Communications Act, 2009 (Act No. 8 of 2009) and the Regulations regarding Rule-Making Procedures published in Government Gazette No. 4630, General Notice No. 334 dated 17 December 2010 -

- (a) publishes this Notice of Intention to Make Regulations Setting Fees for Spectrum Licences, Certificates and Examinations as set out in Schedule 1; and
- (b) sets outs the concise statement of the reasons and purpose for the proposed regulations in Schedule 2.

The public may make oral submissions on the proposed regulations to the Authority, at a time, date and place notified by the Authority.

The public are hereby invited to make written representations, comments, communications and submissions (hereafter collectively called "submissions") to the Authority within thirty (30) consecutive days from the date of publication of this notice in the Gazette, in the manner set out below for making of written submissions.

All written submissions must-

- (a) contain the name and full contact details (physical and postal address, email address and telephone or cell phone number) of the person making the written submissions and the name and similar contact details of the person for whom the written submission is made if different; and
- (b) be clear and concise.

In the event where any person making a submission wishes to designate any information contained in such submission as confidential, such information must be clearly marked as "confidential". Notwithstanding, if the Authority is of the opinion that information is not confidential it will inform the person thereof thereby -

- (a) allowing the person to withdraw the information from the rule-making proceedings;
- (b) agreeing with the person that it will not be treated anymore as confidential information; or
- (c) requesting a hearing on the issue of confidentiality to be conducted in accordance with section 28 of the Communications Act.

In terms of Regulation 7 of the Regulations regarding Rule-Making Procedure published in Government Gazette 4630, General Notice No. 334 dated 17 December 2010 herewith gives notice that it will hold a hearing regarding the proposed regulations as follows:

DATE:27 October 2016TIME:14h30 (registration commences at 14h00)VENUE:TBA

The public is invited to make comments and/or oral submissions at the hearing. All notices of oral submissions to be made during the hearing must be submitted to the Authority on or before **14 October 2016**.

All written submissions and notice of oral submissions must be send or submitted to be received by the Authority on or prior to the due date anticipated above in any of the following manners -

- (a) by hand to the head office of the Authority, namely Communications House, 56 Robert Mugabe Avenue, Windhoek;
- (b) by post to the head office of the Authority, namely Private Bag 13309, Windhoek, 9000;
- (c) by electronic mail to the following address: <u>legal@cran.na;</u>
- (d) by facsimile to the following facsimile number: +264 61 222790; and
- (e) by fax-to-email to: 0886550852.

F. KISHI CHAIRPERSON OF THE BOARD OF DIRECTORS COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

SCHEDULE 1

PROPOSED REGULATIONS SETTING OUT FEES FOR SPECTRUM LICENCES, CERTIFICATES AND EXAMINATIONS: COMMUNICATIONS ACT, 2009

The Communications Regulatory Authority of Namibia, in terms of sections 38(5), 101 and 129 of the Communications Act, 2009 (Act No. 8 of 2009), and with effect from 1 January 2018, makes the regulations set out in Schedule 1.

Definitions

1. In these Regulations, any word or expression to which a meaning is assigned in the Act, has the same meaning and -

"AM" means amplitude modulation;

"ERP" means effective radiated power;

"HF" means high frequency being the ITU designation for radio waves between 3 MHz and 30 MHz;

"ITU" means International Telecommunications Union;

"Regulations Setting Out Licence Conditions for Spectrum Use Licences" means the Regulations Setting Out Licence Conditions for Spectrum Use Licences as published in Government Gazette No. 5354, General Notice No. 469 of 2 December 2013, as amended from time to time;

"rural areas" means all geographical areas within the border of the Republic of Namibia excluding those geographical areas identified as urban areas in the definition of "urban areas" in this regulation;

"the Act" means the Communications Act, 2009 (Act No. 8 of 2009);

"VHF" means very high frequency being the ITU designation for radio waves between 30 MHz and 300 MHz;

"UHF" means ultrahigh frequency being the ITU designation for radio waves between 300 MHz and 3 GHz; and

"urban areas" means the any location within the geographical area of the following local authority areas as declared under section 3 of the Local Authorities Act, 1992 (Act No. 23 of 1992): Katima Mulilo, Swakopmund, Mariental, Keetmanshoop, Rundu, Nkurenkuru, Windhoek, Opuwo, Eenhana, Gobabis, Outapi, Oshakati, Omuthiya, Otjiwarongo, Walvis Bay, Henties Bay, Omaruru, Okahandja, Grootfontein, Outjo, Tsumeb, Karasburg, Lüderitz (!Nam≠nüs), Oranjemund, Arandis, Karibib, Usakos, Aranos, Rehoboth, Khorixas, Helao Nafidi, Okahao, Oshikuku, Ruacana, Ondangwa, Ongwediva, Oniipa, Okakarara and Otavi.

Table containing fees relating to spectrum use

2. (1) As specified in regulations 6(1) and (2) of the Regulations Setting Out Licence Conditions for Spectrum Use Licences, the authorisation to utilise spectrum expires on 31 December of every calendar year and application must be made for the renewal thereof two months prior to 31 December of each year.

- (2) The Table below specifies the following fees as payable to the Authority:
- (a) Annual and other fees payable with regard to the authorisation to utilise spectrum stipulated in a spectrum licence;
- (b) fees payable with regard to a certificate contemplated in section 101 of the Act;
- (c) fees payable with regard to an examination contemplated in section 101 of the Act.

(3) Notwithstanding anything else to the contrary contained in these Regulations and the Regulations Setting out Licence Conditions for Spectrum Use Licences -

- (a) the fees set out in the following items of the Table below are payable in full, and are not refundable or refundable in part, irrespective thereof that the spectrum licences pertaining to such fees are issued during the course of a specific annual year or, during the same year, such licence or the authorisation to utilise spectrum in terms of such licence, expired, are forfeited, lapsed or discontinued for whatever reason:
 - (i) Items 1.1 (all classes of amateur radio spectrum licences), 1.2 (amateur radio beacon), 1.4 (amateur radio guest or special event spectrum licence) and 1.5 (amateur radio repeater station);
 - (ii) items 2.1 (aeronautical aircraft station), 2.2 (aeronautical glider/microlight),
 2.3 (aeronautical ground station), 2.4 (aeronautical navigation aids/beacons)
 and 2.5 (aeronautical operator certificate radiotelephony (including duplicate));
 - (iii) items 3.1 (maritime beacon), 3.2 (operator certificate radiotelephony (including duplicate)), 3.3.1 (ship station ITU assigned frequencies), 3.3.2 (any additional ship station VHF or HF frequencies), 3.4.1 (coast station ITU assigned frequencies), 3.4.2 (any additional coast station VHF or HF frequencies) and 3.4.3 (coast station yacht and ski-boat stations);

- (iv) item 4.2.1 (base mobile station 27/29 MHz band (including CB band));
- (v) item 10.2 (competency certificate for radios above 400 Watt);
- (b) the fee set out in item 8.4 of the Table below for a mobile or fixed satellite news gathering station spectrum licence, is a monthly fee (irrespective whether a calendar month or a consecutive period of 30 days, the latter which, for purposes of this paragraph (b), is deemed to be a month) and -
 - (i) the full monthly fee is payable per month or part thereof (thus irrespective if only used for a part of a month);
 - (ii) if the month when the spectrum licence is issued falls into two annual years for which different fees are prescribed, the lower fee applies to that month; and
 - (iii) if the spectrum licence holder wishes to continue to use the spectrum, application for renewal must be made prior to e the relevant month or months for which such licence was issued;
- (c) the fee set out in item 9.4.1 of the Table below for a spectrum licence relating to a special event broadcast with a maximum of 10 Watt is a once off non-refundable fee payable per event for which a spectrum licence is issued.

TABLE

SPECTRUM LICENCES, CERTIFICATES AND EXAMINATIONS FEES

	TYPE OF CERTIFICATE OR SPECTRUM LICENCE	FEES (N\$)	
1.	AMATEUR RADIO		
1.1	All classes of amateur radio spectrum licences	N\$ 97.00	
1.2	Beacon	N\$ 97.00	
1.3	Examination	N\$ 97.00	
1.4	Guest or special event spectrum licence	N\$ 97.00	
1.5	Repeater station	N\$ 97.00	
2.	AERONAUTICAL		
2.1	Aircraft station	N\$194.00	
2.2	Glider / microlight		
2.3	Ground station	N\$116.00	
2.4	Navigation aids / beacons	N\$ 97.00	
2.5	Operator certificate radiotelephony (including duplicate)	N\$ 97.00	
3.	MARITIME		
3.1	Beacon N\$ 97		
3.2	Operator certificate radiotelephony (including duplicate) N\$ 9		
3.3	Ship Station		
	3.3.1 ITU assigned frequencies	N\$291.00	
	3.3.2 Any additional VHF or HF frequencies	N\$969.00	
3.4	Coast Station		
	3.4.1 ITU assigned frequencies	N\$291.00	
	3.4.2 Any additional VHF or HF frequencies	N\$969.00	
	3.4.3 Yacht and ski-boat stations	N\$ 97.00	

		SERVICE			
Private	e alarm stat	tion (see item 6.1 for alarm systems)	N\$323.00		
Base N	Aobile Stat	ion			
4.2.1	27/29 MF	Hz band (including CB band)	N\$ 78.00		
4.2.2	4.2.2 VHF/UHF per simplex frequency in urban areas				
4.2.3	N\$116.00				
Repea	ter (private	and exclusive)			
4.3.1	Duplex fr	requency urban areas	N\$2,132.00		
4.3.2	Duplex fr	requency rural areas	N\$775.00		
4.3.3	4.3.3 Simplex frequency (Parrot repeater)				
4.3.4	Any addit	tional simplex frequency (per frequency)	N\$194.00		
Experi	mental Sta	tion			
4.4.1	Experime	ental station valid for 6 months	N\$194.00		
Radio	Link Static	n			
4.5.1	Radio Lir	nk up to 1000 MHz	N\$1,357.00		
4.5.2	Radio Lir	hk above 1000 MHz per MHz calculated based in the assigned	N\$3,230.00		
	bandwidt	h per frequency			
Nation	al Occupar	ncy			
4.6.1	Not share	d	N\$1,551.00		
4.6.2	Shared		N\$194.00		
HIGH	HIGH FREQUENCY (HF) RADIO				
Fixed/	ixed/mobile Station N\$291.00				
Fixed	radio statio	n above 400Watt	N\$1,938.00		
RADI	O COMM	UNICATIONS SYSTEMS			
Alarm					
6.1.1	Urban con	mplexes (per control room and per frequency)	N\$6,461.00		
6.1.2	All other	areas (per control room and per frequency)	N\$1,615.00		
Load r	nanagemen	nt (including telemetry)	N\$6,461.00		
Paging	Paging (one-way)				
6.3.1	Commerc	zial			
	6.3.1.1	Application	N\$2,019.00		
	6.3.1.2	Per control room	N\$9,691.00		
6.3.2	Private				
	6.3.2.1	Per control room and per frequency	N\$194.00		
	Radio tru	nking			
6.4.1	For a max	ximum of one control channel per base station	N\$969.00		
6.4.2			N\$4,845.00		
Repea					
6.5.1	Urban are	ea per duplex frequency (commercial use)	N\$4,458.00		
6.5.2			N\$2,326.00		
			N\$969.00		
			N\$13,800.00		
	1		N\$11,040.00		
	*		,000.00		
	rsat				
	Base N 4.2.1 4.2.2 4.2.3 Repeat 4.3.1 4.3.2 4.3.3 4.3.4 Experit 4.4.1 Radio 4.5.1 4.5.2 Nation 4.6.1 4.6.2 HIGH Fixed/ Fixed/ Fixed/ Fixed/ 6.1.1 6.1.2 Load r Paging 6.3.1 6.3.2 Repeat 6.5.1 6.5.2 6.5.3 MOBI Fee as Fee as	Base $\begin{tabular}{ c } \end{tabular}$ 4.2.127/29 MH4.2.2 $\begin{tabular}{ c } \end{tabular}$ 4.2.3 $\begin{tabular}{ c } \end{tabular}$ 4.2.3 $\begin{tabular}{ c } \end{tabular}$ 4.3.1 $\begin{tabular}{ c } \end{tabular}$ 4.3.2 $\begin{tabular}{ c } \end{tabular}$ 4.3.3 $\begin{tabular}{ c } \end{tabular}$ 4.3.4 $\begin{tabular}{ c } \end{tabular}$ 4.4.1 $\begin{tabular}{ c } \end{tabular}$ 4.4.1 $\begin{tabular}{ c } \end{tabular}$ 4.5.1 $\begin{tabular}{ c } \end{tabular}$ 4.5.2 $\begin{tabular}{ c } \end{tabular}$ 4.6.1 $\bedin{tabular}{ c } \end{tabular}$ 6.1.1 $\bedin{tabular}{ c } \end{tabular}$ 6.1.1 $\bedin{tabular}{ c } \end{tabular}$ 6.3.1 $\bedin{tabular}{ c } \end{tabular}$ 6.3.2 $\bedin{tabular}{ c } \end{tabular}$ 6.3.1 $\bedin{tabular}{ c } \end{tabular}$ 6.3.2 $\bedin{tabular}{ c } \end{tabular}$ 6.5.1 $\bedin{tabular}{ c } \end{tabular}$ <td>4.2.2 VHF/UHF per simplex frequency in urban areas 4.2.3 VHF/UHF per simplex frequency in rural areas Repeater (private and exclusive) 4.3.1 Duplex frequency urban areas 4.3.2 Juplex frequency (Parrot repeater) 4.3.4 A.3 Simplex frequency (Parrot repeater) 4.3.4 Any additional simplex frequency (per frequency) Experimental Station 4.4.1 Experimental station valid for 6 months Radio Link Station 4.5.1 Radio Link up to 1000 MHz 4.5.2 Radio Link above 1000 MHz per MHz calculated based in the assigned bandwidth per frequency National Occupancy 4.6.1 4.6.1 Not shared 4.6.2 Shared HIGH FREQUENCY (HF) RADIO Fixed/mobile Station Fixed radio station above 400Watt RADIO COMMUNICATIONS SYSTEMS Alarm 6.1.1 Urban complexes (per control room and per frequency) 1.0ad management (including telemetry) Paging (one-way) 6.3.1 Commercial 6.3.2.1 Per control room 6.3.2.2 Peri control room</td>	4.2.2 VHF/UHF per simplex frequency in urban areas 4.2.3 VHF/UHF per simplex frequency in rural areas Repeater (private and exclusive) 4.3.1 Duplex frequency urban areas 4.3.2 Juplex frequency (Parrot repeater) 4.3.4 A.3 Simplex frequency (Parrot repeater) 4.3.4 Any additional simplex frequency (per frequency) Experimental Station 4.4.1 Experimental station valid for 6 months Radio Link Station 4.5.1 Radio Link up to 1000 MHz 4.5.2 Radio Link above 1000 MHz per MHz calculated based in the assigned bandwidth per frequency National Occupancy 4.6.1 4.6.1 Not shared 4.6.2 Shared HIGH FREQUENCY (HF) RADIO Fixed/mobile Station Fixed radio station above 400Watt RADIO COMMUNICATIONS SYSTEMS Alarm 6.1.1 Urban complexes (per control room and per frequency) 1.0ad management (including telemetry) Paging (one-way) 6.3.1 Commercial 6.3.2.1 Per control room 6.3.2.2 Peri control room		

	8.1.1	A terminal	N\$2,907.00		
	8.1.2	B,C and M terminal (64 kbit/s)	N\$1,163.00		
	8.1.3	8.1.3 D terminal (data only) RB GAN			
8.2	VSAT	8.1.3D terminal (data only) RB GANN\$485VSAT Digital Uplink per 64 kbit/s (private operator)N\$6,461			
8.3	Uplink	Uplink broadcasting signal distribution fixed satellite earth station N\$34,500.00			
8.4	Mobile	e or fixed satellite news gathering station (per month or part thereof)	N\$3,450.00		
9.	BROA	DCASTING SERVICES			
9.1	FM Ra	adio Broadcasting Transmitter			
	9.1.1	0-100 Watt (ERP)	N\$690.00		
	9.1.2	101-999 Watt (ERP)	N\$1,380.00		
	9.1.3	1000 Watt (ERP) and above	N\$2,070.00		
9.2	Televis	Television Broadcasting Transmitter			
	9.2.1	0-100 Watt (ERP)	N\$7,521.00		
	9.2.2	101-999 Watt (ERP)	N\$9,246.00		
	9.2.3	1000 Watt (ERP) and above	N\$11,523.00		
9.3	AM/H	AM/HF Radio Broadcasting Transmitter			
	9.3.1	0-999 Watt (ERP)	N\$690.00		
	9.3.2	1000 Watt (ERP) and above	N\$1,725.00		
9.4	Other	broadcasting services			
	9.4.1	Special event broadcast spectrum licence maximum 10 Watt	N\$690.00		
	9.4.2	Outside broadcasting vehicle links	N\$4,600.00		
10.	MISC	ELLANEOUS	·		
10.1	Nation	National Security Forces N\$75,900.0			
10.2	Compe	Competency certificate (radios above 400 Watt) N\$97.00			
10.3	Duplic	eate spectrum licences	N\$97.00		
10.4	Photoc	copies per A4 sheet	N\$1.50		

Application of fees and general provisions

3. (1) (a) Where an annual fee specified in the Table above, for whatever reason, is not payable in respect of a whole calendar year, the fee to be paid or to be refunded must be apportioned according to the relevant number of months for which payment is made.

- (b) For purposes of paragraph (a), a part of a month is regarded as a full month.
- (c) Irrespective of the actual amount contemplated in paragraph (a), the minimum fee payable is N\$ 60.00, excluding photocopies.
- (d) This subregulation is subject to regulation 2(3).

(2) The Authority may not issue a spectrum licence, or a certificate, or renew the authorisation to utilise spectrum stipulated in a spectrum licence, or a certificate, unless the relevant fee as set out in the Table above is paid to the Authority.

(3) A spectrum licence is issued, and the right to utilise spectrum is authorised, subject to the Regulations Setting Out Licence Conditions for Spectrum Use Licences.

Commencement of these Regulations

4. (1) Subject to subregulation (2), these Regulations will become effective on 1 January 2018.

A person or a spectrum licensee who applies in 2017 for a spectrum licence, or to renew the authorisation to utilise spectrum for the ensuing calendar year as contemplated in regulation 6(1) and (2) of the Regulations Setting Out Licence Conditions for Spectrum Use Licences, must pay the relevant fee set out in these Regulations by the due date for payment notwithstanding that such

Subregulation (2) applies in the same manner but with the necessary changes to (3) certificates contemplated in items 2.5, 3.2 and 10.2 of the Table above.

SCHEDULE 2

CONCISE STATEMENT OF PURPOSE

The current Radio Regulations, promulgated under Government Notice R.2862 of 28 December 1979, contain the fees for certificates, licences and examinations relating to spectrum use. On 30 November 2007 (Government Gazette 3942), Government Notice 213 of 30 November 2007, was published which provided for new fees to become effective as from 1 January 2008. For almost a decade since then, these spectrum fees remained constant and were not reviewed.

Due to, amongst others, the effluxion of time, inflationary impacts, increased regulatory burden and cost, regulatory charging developments and a aim at increasing cost-reflectiveness, efficiency, fairness and cost consciousness, the Authority deemed it appropriate and timely to review these 2007-spectrum fees.

During the review of these fees and the determination of new fees, the Authority considered, amongst others and not limited to, the following:

- The use of the 2007-Spectrum Fees as a point of departure for the review of the spectrum (a) fees;
- To consider the inflationary impact, by means of the consumer price index since 2007 as (b) determined by the Central Bureau of Statistics;
- (c) To progressively consider cost recovery and cost-reflectivity in the determination of these regulatory fees;
- (d) Notwithstanding, to avoid sudden price shocks (sticker shock) by means of more gradual adjustments of fees in order to achieve the aims of cost recovery, cost-reflectiveness, efficiency, fairness and cost consciousness;
- (e) The balance between affordability, cost recovery and cost-reflectivity;
- The user pay principle based on the rationale that the recipient or user of a specific service (f) should pay for such service;
- The demand for, and applicant profile involved in, the different spectrum licences and (g) spectrum use;
- (h) The responsiveness of stakeholders with regard to reviewed and increased fees and market impact;
- Comparative research on similar fees in other jurisdictions (which showed to be considerably (i) higher than the proposed spectrum fees contained in these Regulations);
- Simplicity in charges to ensure that they are easy to understand, practical and minimise (j) collection cost

(2)

due date may be on or prior to 1 January 2018.

In conclusion, the Authority submits that the proposed fees contained in these Regulations are not yet cost-reflective and/or allow for full cost recovery of the regulatory cost involved in the regulation of spectrum. Mindful of the potential negative impacts of sudden price increases, the Authority intends to move more gradually towards the phasing in of fees which would commensurate with the Authority's aim to achieve, amongst others, cost recovery, cost-reflectiveness, efficiency, fairness and cost consciousness. The Authority intends to achieve the latter by, amongst others, undertaking more regular (between two to five years) reviews of the spectrum fees. By making this key information available, the Authority aims at creating greater transparency and consultation as regards the determination of regulatory charges.

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

No. 394

NOTICE IN TERMS OF SECTIONS 101 OF THE COMMUNICATIONS ACT, 2009 (ACT NO. 8 OF 2009) AND THE REGULATIONS REGARDING LICENSING PROCEDURES FOR TELECOMMUNICATIONS AND BROADCASTING SERVICE LICENCES AND SPECTRUM USE LICENCES

The Communications Regulatory Authority of Namibia, in terms of Sections 38 and 101 of the Communications Act, 2009 (Act No. 8 of 2009) read with Regulation 11(9) of the "Regulations Regarding Licensing Procedures for Telecommunications and Broadcasting Service Licences and Spectrum Use Licences", in Government Gazette No. 4785, General Notice No. 272 dated 29 August 2011 (as amended), herewith gives notice that the application for a Class Telecommunication Service License (ECS) for **Integrated Communications Systems CC** has been approved.

THE FOLLOWING ARE THE REASONS FOR THE DECISION:

Integrated Communications Systems CC (hereinafter referred to as "the Applicant") submitted an application for a Class Comprehensive Telecommunications Service Licence (ECS & ECNS) and a Spectrum Use Licence for fixed satellite services on 30 October 2014 in accordance with Sections 38 and section 101 of the Communications Act, 2009 (Act No. 8 of 2009) (hereinafter referred to as the "Act") and the Regulations regarding Licensing Procedures for Telecommunications and Broadcasting Service Licences and Spectrum Use licences as published in Government Gazette No. 4785, General Notice No. 272 dated 29 August 2011, for consideration by the Authority. All licence application fees in respect of the application were paid.

BACKGROUND TO APPLICATION

As per documentation submitted with the application for a Class Comprehensive Telecommunications Service Licence (ECS & ECNS), the Applicant is a 100% Namibian company with registration number CC/2011/2510. The Applicant's ownership interests are indicated in Table 1 below –

Name of Owner	Percentage of Ownership	Nationality of Owner
Phillepus Kapali	50%	Namibian
Dirk Conradie	50%	Namibian

Table 1: Ownership structure

Section 101 (7) of the Communications Act (Act 8 of 2009), provides that-

"where a person applies for a licence to operate a network or provide telecommunications services or broadcasting services, that a person must also apply for such spectrum use licences as are necessary to render the service concerned."

2016

The Applicant submitted an application for Spectrum Use Licences for fixed satellite services on the 30 October 2014 indicating that it envisage to provide IP based voice services and broadband internet services via satellite technology.

As required by regulation 4(2)(f) of the Regulations Regarding Licensing Procedures for Telecommunications and Broadcasting Service Licences and Spectrum Use Licences, the Applicant submitted a five (5) year business plan, financial statements, a technical description of the telecommunication services to be provided and company registration documents to support the Applicant in its future business rollout.

REQUEST FOR OUTSTANDING INFORMATION

The initial evaluation of the application submitted indicated that technical equipment specifications were applicable to a different spectrum band than specified in its application form for a spectrum use licence to provide fixed satellite services. The Authority requested clarification as to the spectrum band applied for and equipment to be utilised on 31 March 2015.

The Applicant responded to the request on 13 April 2015 amending its initial spectrum use application to apply for spectrum in the 3600-4200 MHz spectrum band.

ORAL SUBMISSION

The Authority requested the Applicant to make an oral submission in respect of its application on 1 October 2015.

At the oral hearing, the Applicant gave a brief overview of its expertise and experience within the ICT industry, spectrum to be utilised, envisaged product and service portfolio, distribution model, core network layout and diagrams and financial projections for a period of five (5) years.

After the oral submissions made by the Applicant, the Authority requested the Applicant on 12 October 2015 and 16 November 2015 respectively to provide -

The tariff projection used to determine the revenue forecast as presented during the oral submissions on 1 October 2015.

The Applicant submitted a new business case to the Authority on 25 November 2015 stating that the reviewed business case is based on its new proposed operation.

FURTHER CLARIFICATION REQUESTED BY THE AUTHORITY

Based on the new business case submitted and spectrum use licence application submitted to the Authority, the Applicant was requested on 25 January 2016 to provide clarification in respect of the following -

- (i) Identify the Namibian licensee whom the Applicant will be entering into an agreement with to have access to a number range as set out in the business case for voice services. This information is necessary as no indication was provided in the submission;
- (ii) It was requested that the Applicant provide clarification in respect of the equipment specification from New Japan Radio Co. Ltd and the declaration of conformity submitted from iDirect Technologies as the Authority is unable to link to two documents; and
- (iii) The Applicant applied for Spectrum Use License in the Ku band for the following frequencies 10.700 GHz to 12.700/13.750 GHz attaching support documentation for technical description of equipment to be used for the applied Spectrum that operates in the C-band (3600-4200)

MHz). The Authority queried this before and the Applicant indicated to the Authority that they will require a spectrum use licence in the C-band in their letter dated 13 April 2015, Ref CTSL/04/2014/ITCOMSYS. The Applicant in its oral presentation indicated that it is applying for Spectrum Use License in Ku band. The Authority thus sought clarification on what type of Spectrum Use License the Applicant intends to apply for.

The Applicant failed to respond to the aforementioned request for clarification within the time stipulated. Subsequently, the Authority informed the Applicant on the 10 March 2016 that it will put the application for a telecommunications service licence and spectrum use licence on hold as the Authority is unable to finalise the consideration process until such time that the Applicant submitted the requested information.

The Applicant scheduled a meeting with the Authority on the 20 April 2016 and informed the Authority that it no longer wished to provide broadband internet services via fixed satellite.

Subsequently the Applicant informed the Authority on the 31 May 2016 that it withdraws its application for a spectrum use licence for fixed satellite services and wishes to proceed with an application for a Class telecommunications service licence (ECS).

The Applicant submitted a new business case to the Authority on 22 June 2016 for consideration.

PROCEDURAL COMPLIANCE

Following due process in terms of the Regulations Regarding Licensing Procedures for Telecommunications and Broadcasting Service Licences and Spectrum Use Licences, the Authority published a notice in the Government Gazette 5765, General Notice No. 266 dated 26 June 2015, allowing fourteen (14) days for public comments from the date of publication of the Notice in the *Gazette*. The commenting period lapsed on 10 July 2015, and no comments were received.

The last day for the decision was 22 August 2016 following the last correspondence and documentation submitted by the Applicant on 22 June 2016. On 9 August 2016, the Authority postponed the decision date to 11 September 2016 to allow for the submission of the recommendation to the Board for approval.

ANALYSIS BY THE AUTHORITY

The Applicant withdrew its application for a spectrum use licence for fixed satellite services and thus the Authority only analysed the application for a telecommunications service licence supported by the business case submitted by the Applicant on 22 June 2016.

Application for Class Comprehensive Telecommunications Service Licence (ECS & ECNS)

The Namibian market is currently served by fifteen (15) telecommunications service licensees varying in size and providing a wide array of telecommunications services.

When considering the award of a telecommunications service licence, the Authority is obliged to consider the provisions of Section 39(3) of the Communications Act, which provides as follows:

"Without limiting the power to refuse a licence when the granting of a licence is not in the public interest, the Authority may refuse the licence on one or more of the following grounds-

(a) national defence or public security";

The Authority has not received any information, nor noted any issues in the application submitted by the Applicant that suggests that the Applicant will pose a threat to national defence or public security.

"(b) technical constraints due to limited availability of frequencies";

Based on the facts presented, the Applicant intends to implement its own billing system and enduser equipment to provide telecommunications services but will utilise the network infrastructure of existing telecommunications service licensees in *lieu* of implementing its own network.

The Authority is therefore, of the opinion that there exist no technical constraints due to limited availability of frequencies as referred to above.

"(c) the lack of technical or financial capability to substantially meet the obligations arising out of the applicant's operating conditions or the fact that it does not meet prior specified selection criteria; or"

The Applicant intends to focus on providing services to Government agencies, private corporate entities and private individuals providing services such as IP based Private Branch Exchange (PBX) Telephony services, Fax2Email & Email2Fax, as well as unified communications. They will target the innovative or proactive companies planning or transferring part of their activities over the intranet or Internet within, on-site or off-site in order to benefit from the advantages offered by the unique systems of communications. The Applicant intends to differentiate itself from their competitors by offering increased reliability, expert technical assistance and service excellence.

The Authority is of the opinion that the Applicant has identified its competitors and illustrated knowledge of the market that they would like to enter. However, this is a very competitive and congested market especially in the main centres of the country. The financial projections are conservative and it is expected that the break-even point will only be reached after a year of operations. The company will initially operate on skeleton staff to save resources and maximize available cash resources which can be regarded as an appropriate strategy in the short term taking into account that only expert professionals will be hired to ensure a smooth start-up. An indication of tariffs was provided as back up for the assumptions made by the Applicant.

The business plan is well researched and conservative. The Authority is of the opinion that the Applicant intends to make use of the assets at their disposal, eliminating the need for costly start-up funds, which continue to be an inhibiting factor for many new businesses.

"(d) the fact that the applicant has been subject to penalties referred to in section 115(4)";

The Applicant has not been issued with any penalties in respect of Section 115(4) of the Act.

The Authority concluded that the application for a Class ECS Telecommunications Service Licence as submitted by the Applicant complies with all criteria as set out above. The application is further aligned with the objectives of the Communications Act, 2009 in that it promotes competition in the market, promotes local investment in the ICT industry and provides Namibians with a wider choice of telecommunication services.

DECISION

In terms of Section 38 of the Communications Act and the Regulations regarding Licensing Procedures for Telecommunications and Broadcasting Service Licences and Spectrum Use Licences, the Authority herewith approves -

- 1. The application for a telecommunications service licence submitted by Integrated Communications Systems CC based on the criteria as set out in Section 39 of the Act and award the Applicant with a Class ECS Telecommunications Service Licence; and
- 2. That the licence is awarded subject to the provisions of the Communications Act (No 8 of 2009) and Regulations regarding Licence Conditions for Telecommunications Service

Licences as published in Government Gazette No. 5037, General Notice No. 308 dated 13 September 2012.

Kindly take note that section 31 of the Communications Act provides that the Authority may, on its own motion or on a petition filed by an aggrieved party to any proceedings, reconsider any order or decision that it has made, within 90 days from the date of making that decision or issuing that order.

F. KISHI CHAIRPERSON OF THE BOARD OF DIRECTORS COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

No. 395

2016

NOTICE IN TERMS OF SECTIONS 101 OF THE COMMUNICATIONS ACT, 2009 (ACT NO. 8 OF 2009) AND THE REGULATIONS REGARDING LICENSING PROCEDURES FOR TELECOMMUNICATIONS AND BROADCASTING SERVICE LICENCES AND SPECTRUM USE LICENCES

The Communications Regulatory Authority of Namibia, in terms of Sections 85 and 101 of the Communications Act, 2009 (Act No. 8 of 2009) read with Regulations 5 and 6 of the "Regulations Regarding Licensing Procedures for Telecommunications and Broadcasting Service Licences and Spectrum Use Licences", in Government *Gazette* No. 4785, General Notice No. 272 dated 29 August 2011 (as amended), herewith gives notice that the application for a Community Broadcasting Service License and Spectrum Use Licence for **Omaheke Community Radio** has been approved.

THE FOLLOWING ARE THE REASONS FOR THE DECISION:

Omaheke Community Radio (hereinafter referred to as "the Applicant") submitted applications for a Community Broadcasting Service Licence and a Spectrum Use Licence in the geographical area of Gobabis on 7 August 2015 for consideration by the Authority, in accordance with sections 85 and 101 of the Communications Act, 2009 (Act No. 8 of 2009) (hereinafter referred to as the "Act") and regulations 5 and 6 of the Regulations regarding Licensing Procedures for Telecommunications and Broadcasting Service Licences and Spectrum Use licences as published in Government Gazette No. 4785, General Notice No. 272 dated 29 August 2011. All licence application fees in respect of the application were paid.

BACKGROUND TO APPLICATION

As per documentation submitted with the application the Applicant is a 100% Namibian owned Section 21 company with registration number 21/2005/0241, with no foreign ownership interests. Details of the Board of Directors are provided in Table 1 hereunder:

Name of Member	Nationality of Owner
Charles Vnguaa Tjatindi	Namibian
Peter-Hain Kazapua	Namibian
Esther Benjamin	Namibian
Ronny Hengari	Namibian
Veronia Gomotsang Mokalengi	Namibian
Levi Katire	Namibian
Waandya Natangwe Lazarus Ueitele	Namibian

Table 1:

In terms of Section 101 (7) of the Communications Act (Act 8 of 2009),

"where a person applies for a licence to operate a network or provide.....broadcasting services, that person must also apply for such spectrum use licences as are necessary to render the service concerned."

Consequently, the Applicant submitted an application for a spectrum use for FM broadcasting frequency between 87 MHz and 108 MHz also dated 7 August 2015, to provide broadcasting services in the geographical area of Gobabis, with a transmitter output power of 250 Watt.

The Applicant intends to provide their own signal distribution service as required by regulation 5(2) (g) of the Regulations Regarding Licensing Procedure for Telecommunications and Broadcasting Service Licences and Spectrum Use License.

As required by regulation 5(2)(j) of the Regulations Regarding Licensing Procedure for Telecommunications and Broadcasting Service Licences and Spectrum Use Licence, the Applicant submitted a proposed program schedule indicating its intention to provide broadcasting services on a 24-hour basis from Monday to Sunday. The Applicant intends to broadcast in six (6) languages namely: English, Otjiherero, Setswana, Afrikaans, Damara/Nama and Oshiwambo.

REQUEST FOR OUTSTANDING INFORMATION

The Authority requested the following outstanding information on 10 September 2015 -

- (i) Certified identification documents of all the Directors of the Applicant; and
- (ii) An indication of the groups of persons with a common interest or geographic area to whom broadcasting services will be provided to.

The Applicant submitted all outstanding information on 29 October 2015.

ORAL SUBMISSION

The Authority requested the Applicant to make an oral submission in respect of its application on 23 June 2016.

At the oral hearing, the Applicant gave a brief overview of the expertise of the management team that will ensure the operation of the radio station in Gobabis, financial resources, studio layout, technical equipment and transmitter location as well as the intended program schedule. The Authority posed various questions to the Applicant on the community it will serve, programme content, financial resources and technical expertise.

The Authority found the oral submission and supporting documentation to the application to be complete and comprehensive and no further documentation was requested from the Applicant after the oral submission on 23 June 2016.

PROCEDURAL COMPLIANCE

Following due process in terms of Regulations Regarding Licensing Procedures for Telecommunications and Broadcasting Service Licences and Spectrum Use Licences, the Authority published a notice in the Government Gazette No. 5980, General Notice No. 90 dated 31 March 2016, allowing fourteen (14) days for public comments from the date of publication of the Notice in the *Gazette*. The commenting period lapsed on 14 April 2016, and no comments were received.

The last day for the decision was initially 22 August 2016, being sixty (60) days from the oral submission made to the Authority by the Applicant. On 8 August 2016, the Authority postponed the

decision date to 11 September 2016 to allow for the submission of the recommendation to the Board for approval.

ANALYSIS BY THE AUTHORITY

Application for community broadcasting service licence

The Gobabis area is serviced by four (4) commercial broadcasters (Omulunga Radio, Radio Kudu, Radio 100 (Pty) Ltd and Radiowave,), one (1) community broadcaster (Media for Christ,) and the Namibia Broadcasting Corporation (NBC). It should be noted that NBC is broadcasting services in nine (9) languages and a national radio channel (English).

When considering the award of a broadcasting service licence, the Authority is obliged to consider the following provisions of section 85(8) of the Communications Act:

(a) the character of the applicant or, if the applicant is a body corporate, the character of its directors";

The Authority has no reservations regarding the character of the Applicant because it has not received any information that suggests that Applicant is of a bad character or that they would not be fit to run a radio station.

"(b) the adequacy of the expertise, experience and financial resources available to the applicant";

The Applicant has extensive experience (of more than ten (10) years) in broadcasting, media and journalism as well as graphic design and has also received training from Deutsche Welle enabling their staff to manage the station and provide broadcasting services successfully.

The Applicant intends to broadcast in English, Otjiherero, Setswana, Afrikaans, Damara/Nama and Oshiwambo to create a wider listenership base and by doing so, they will create a sense of belonging and cater for all the whole population of Omaheke Region.

Although their revenue is overstated in terms of comparisons with other broadcasters in the country, the status of sustainability does not become a concern due to sponsorship agreements secured with stakeholders in the region.

"(c) the desirability or otherwise allowing any person or association of persons, to have control or a substantial interest in-

- (i) *more than one broadcasting service;*
- (ii) more than one radio station and one television station and one registered newspaper with a common coverage and distribution area or significantly overlapping coverage and distribution areas";

There is no evidence presented before the Authority that Applicant has a controlling or substantial interest in any broadcasting service licensee or a registered newspaper with a common coverage and distribution area.

"(d) whether the applicant is likely to comply with such technical broadcasting standards as the Authority may prescribe";

The Applicant has provided proof of authorisation from the Gobabis Municipality to construct its own transmitter tower at the broadcasting studio. The technical training received equipped the Applicant's staff to provide its own signal distribution and programme production enabling the Applicant to

provide broadcasting services. The Authority is of the opinion that the Applicant is likely to comply with the broadcasting standard as the Authority may prescribe now and going forward.

"(e) whether the conditions of a broadcasting licence will unjustly benefit one licensee above another";

There is no indication that if awarded a licence, the conditions imposed would unjustly benefit the Applicant above another licensee, especially in light of the fact that the broadcasting service and spectrum use licence conditions are generic to all licensees.

"(f) the allocation of spectrum in such a manner as to ensure the widest possible diversity of programming and the optimal utilization of such resources. Provided that priority may be given to broadcasters transmitting the maximum number of hours per day";

The Applicant has applied for a community broadcasting service licence with the intention to provide broadcasting services in a geographical area with limited established broadcasters. The programme schedule provides for educational, health and religious content, news and music in various Namibian languages aimed at servicing an audience of all ages which will allow for the optimal use of spectrum given that broadcasting services will be provided seven (7) days a week.

"(g) the reservation of radio wave spectrum resources for future use; and"

As indicated above, the number of broadcasters within the geographical area of Gobabis is limited and the area has sufficient frequencies available for new entrants in the broadcasting market. The Authority is of the opinion that the addition of another broadcaster will be beneficial to all Namibians living and travelling through these areas and thus does not see the need to reserve the spectrum for future use.

"(h) the desirability of giving priority to community based broadcasts."

The Applicant has applied for a community broadcasting service licence. Taking into account that the Authority has noted limited interest from commercial broadcasters to service the geographical area of Gobabis, the Authority is of the opinion that it is in the best intere the inhabitants of the area to consider the application favourably.

In light of the above analysis, the Authority is of the opinion that the Applicant complies with all provisions as set out in section 85(8) of the Communications Act to be considered during the evaluation process to award a broadcasting service licence and accompanying spectrum use licences to provide the envisaged services.

After consideration of the information submitted with the application and evaluation thereof in terms of the criteria as set out in Section 85(8) of the Communications Act, the Licensing Committee at its meeting held 18 July 2016 resolved to recommend approval of the service licence application for a community broadcasting service licence submitted by the Applicant.

Application for spectrum use licence

Pursuant to the provisions of Section 101(6) of the Act, an Applicant may only be issued with a spectrum use licence, where the operation of a network or the provision of broadcasting service or the use thereof entails the use of radio waves.

As indicated above, section 101(7) of the Communications Act stipulates as follows:

"When a person applies for a licence to operate a network or provide telecommunications services or broadcasting services, that person must also apply for such spectrum licences as are necessary to render the service concerned." Section 101(8) places a duty on the Authority to consider the application for spectrum in conjunction with the application for a service licence and to ensure that such spectrum use licence as may be required is issued to enable the Applicant to render the services for which the service licence is issued.

Read jointly, these sections suggest that if an Applicant has applied for a broadcasting service licence, it must also have such spectrum use licence as is necessary to render the service concerned and further that a spectrum use licence is required in addition to a broadcasting service licence. It also indicates that a spectrum use licence cannot be issued for the provision of broadcasting services in the absence of a broadcasting service licence.

Subsequently a recommendation to approve the award of a broadcasting service licence, would naturally be accompanied by an approval of spectrum use licences as applied for, because frequencies for FM broadcasting may only be utilised with a broadcasting service licence. As indicated above, the Authority is also satisfied with the technical information submitted with the spectrum use licence as it meets the requirements of section 101 of the Communications Act.

DECISION

In terms of sections 85 and 101 of the Communications Act and the Regulations regarding Licensing Procedures for Telecommunications and Broadcasting Service Licences and Spectrum Use Licences, the Authority herewith approves –

- The award of a Community Broadcasting Service Licence to Omaheke Community Radio based on the criteria as set out in Section 85(8) of the Communications Act which service licence is awarded subject to the relevant provisions of the Communications Act, 2009 (Act. No. 8 of 2009) and the Regulations regarding Licence Conditions for Broadcasting Service Licences as published in Government Gazette No. 5037, General Notice No. 309 dated 13 September 2012;
- 2. The award of Spectrum Use licences to Omaheke Community Radio for-

a. Gobabis 96.1MHz 250 W,

which licence is awarded subject to the relevant provisions of the Communications Act, 2009 (Act No. 8 of 2009) and the Regulations Regarding License Conditions for Spectrum Use Licensee as published in Government Gazette No. 5354, General Notice No. 469 dated 2 December 2013.

Kindly take note that section 31 of the Communications Act provides that the Authority may, on its own motion or on a petition filed by an aggrieved party to any proceedings, reconsider any order or decision that it has made, within 90 days from the date of making that decision or issuing that order.

F. KISHI CHAIRPERSON OF THE BOARD OF DIRECTORS COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

No. 396

2016

NOTICE IN TERMS OF THE REGULATIONS REGARDING LICENSING PROCEDURES FOR TELECOMMUNICATIONS AND BROADCASTING SERVICE LICENCES AND SPECTRUM USE LICENCES

The Communications Regulatory Authority of Namibia, in terms of regulation 9 of the "Regulations Regarding Licensing Procedures for Telecommunications and Broadcasting Service Licences and Spectrum Use Licences", in Government Gazette No. 4785, General Notice No. 272 dated 29 August 2011, herewith gives notice that the persons referred to in the table below, submitted application for renewal of the Broadcasting Service Licences to the Authority:

Applicants Name;	Applicant's citizenship or place of incor- poration;	Percentage of Stock owned by Namib- ian Citizens or Namibian Companies Controlled by Namibian Citizens;	Category of Broad- casting service licence as con- templated in the Regulations Setting out Broadcasting and Telecommunica- tions Service Licence categories;	Provi- sion of signal distri- bution;	Breach of License;	Proof of Ap- plication fees paid up to date submit- ted?
University of Namibia t/a UNAM Radio – FM Sound Broadcasting	Namibian	100%	Community Broad- casting Service	Own	No breach or alleged breach recorded	Yes

The public may submit comments in writing to the Authority within a period of fourteen (14) days from the date of publication of this notice in the *Gazette*.

The applicant may submit written reply comments within fourteen (14) days from the due date of the written public comments.

All written submissions must contain the name and contact details of the person making the written submissions and the name and contact details of the person for whom the written submission is made, fi different and be clear and concise.

All written submissions and reply comments must be made either physically or electronically -

- (1) By hand to the head offices of the Authority, namely Communication House, 56 Robert Mugabe Avenue, Windhoek;
- (2) By post to the head offices of the Authority, namely Private Bag 13309, Windhoek 9000;
- (3) By electronic mail to the following address: legal@cran.na;
- (4) By facsimile to the following facsimile number: +264 61 222790; or
- (5) By fax to e-mail to: 088642748.

F. KISHI CHAIRPERSON OF THE BOARD OF DIRECTORS COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

No. 397

2016

NOTICE IN TERMS OF THE REGULATIONS REGARDING THE SUBMISSIONS OF INTERCONNECTION AGREEMENTS AND TARIFFS

The Communications Regulatory Authority of Namibia, in terms of Section 53(10) of the Communications Act (Act 8 of 2009) read with regulation 8(1) of the "Regulations Regarding the Submission of Interconnection Agreements and Tariffs", in Government Gazette No. 4714, General Notice No. 126 dated 18 May 2011, herewith gives notice that **Telecom Namibia (Pty) Ltd** has filed tariffs with the Authority as set out in Schedule 1.

Any person may examine copies of the tariffs submitted at the head offices of the Authority during normal business hours and copies may be made on payment of a fee determined by the Authority. Copies are also available at <u>www.cran.na</u> where copies may be downloaded free of charge.

The public may submit in writing to the Authority written comments within fourteen (14) days from the date of publication of this notice in the *Gazette*.

Telecom Namibia (Pty) Ltd may submit, in writing to the Authority, a response to any written comments within fourteen (14) days from the lapsing of the time to submit written submissions.

All written submissions must contain the name and contact details of the person making the written submissions and the name and contact details of the person for whom the written submissions is made, if different and be clear and concise.

All written submissions and reply comments must be made either physically or electronically -

- (1) by hand to the head offices of the Authority, namely Communication House, 56 Robert Mugabe Avenue, Windhoek;
- (2) by post to the head offices of the Authority, namely Private Bag 13309, Windhoek 9000;
- (3) by electronic mail to the following address: <u>legal@cran.na</u>; and
- (4) by facsimile to the following facsimile number: +264 61 222790.
- (5) by fax to e-mail to: 0886550852

F. KISHI CHAIRPERSON OF THE BOARD OF DIRECTORS COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

SCHEDULE 1

SUBMISSION OF PROPOSED TARIFFS BY TELECOM NAMIBIA (PTY) LTD COMMUNICATIONS ACT, 2009

The following are the proposed tariffs as submitted by Telecom Namibia (Pty) Ltd:

Package	Jiva Plus
Subscription fee (7 days)	N\$ 35
Voice Minutes	100

Number of SMS	700
Data Volume	1.3GB
Social Media	500MB
Package	Jiva Surf
Subscription fee (7 days)	N\$ 40
Voice Minutes	150
Number of SMS	1000
Data Volume	1.3GB
Social Media	500MB
Night Surfer (Unlimited Internet)	00h00-06h00

All fees and rates exclude 15% VAT.

Please note that the full tariff submission including the terms and conditions and the remedies available to the consumers can be obtained from the Authority

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

No. 398

2016

NOTICE IN TERMS OF THE REGULATIONS REGARDING THE SUBMISSIONS OF INTERCONNECTION AGREEMENTS AND TARIFFS

The Communications Regulatory Authority of Namibia, in terms of Section 53(10) of the Communications Act (Act 8 of 2009) read with regulation 8(1) of the "Regulations Regarding the Submission of Interconnection Agreements and Tariffs", in Government Gazette No. 4714, General Notice No. 126 dated 18 May 2011, herewith gives notice that **MWireless (Pty) Ltd t/a Africa Online** has filed tariffs with the Authority as set out in Schedule 1.

Any person may examine copies of the tariffs submitted at the head offices of the Authority during normal business hours and copies may be made on payment of a fee determined by the Authority. Copies are also available at <u>www.cran.na</u> where copies may be downloaded free of charge.

The public may submit in writing to the Authority written comments within fourteen (14) days from the date of publication of this notice in the *Gazette*.

MWireless (Pty) Ltd may submit, in writing to the Authority, a response to any written comments within fourteen (14) days from the lapsing of the time to submit written submissions.

All written submissions must contain the name and contact details of the person making the written submissions and the name and contact details of the person for whom the written submissions is made, if different and be clear and concise.

All written submissions and reply comments must be made either physically or electronically -

- (1) by hand to the head offices of the Authority, namely Communication House, 56 Robert Mugabe Avenue, Windhoek;
- (2) by post to the head offices of the Authority, namely Private Bag 13309, Windhoek 9000;
- (3) by electronic mail to the following address: <u>legal@cran.na;</u> and

(4) by facsimile to the following facsimile number: +264 61 222790.

(5) by fax to e-mail to: 0886550852

F. KISHI CHAIRPERSON OF THE BOARD OF DIRECTORS COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

SCHEDULE 1

SUBMISSION OF PROPOSED TARIFFS BY TELECOM NAMIBIA LIMITED COMMUNICATIONS ACT, 2009

The following are the proposed tariffs as submitted by MWireless (Pty) Ltd t/a Africa Online:

Download	Upload	Сар	Monthly Fee (N\$)
1024	256	10 Gig	850
1024	256	30 Gig	1 950
3072	768	10 Gig	1 200
3072	768	30 Gig	2 400
3072	768	50 Gig	3 375
5120	1280	10 Gig	1 575
5120	1280	30 Gig	2 760
5120	1280	50 Gig	3 960
5120	1280	75 Gig	5 520
5120	1280	100 Gig	6 995
10240	1536	30 Gig	3 600
10240	1536	50 Gig	4 600
10240	1536	75 Gig	6 000
10240	1536	100 Gig	7 450
10240	1536	150 Gig	10 000

JOLA VSAT PACKAGES

All fees and rates exclude 15% VAT.

Please note that the full tariff submission including the terms and conditions and the remedies available to the consumers can be obtained from the Authority

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

No. 399

2016

NOTICE IN TERMS OF SECTION 53 (7) OF THE COMMUNICATIONS ACT, 2009 (ACT NO. 8 OF 2009) READ WITH THE REGULATIONS REGARDING THE SUBMISSIONS OF INTERCONNECTION AGREEMENTS AND TARIFFS

The Communications Regulatory Authority of Namibia, in terms Section 53(1) and (7) of the Communications Act (Act No. 8 of 2009) read with regulation 8 of the "Regulations Regarding the Submission of Interconnection Agreements and Tariffs", in Government Gazette No. 4714, General Notice No. 126 dated 18 May 2011, herewith gives notice that it has approved tariffs for Prepaid Netman Bundles as submitted by **Mobile Telecommunications Limited** for reconsideration, which

came into force and effect on 15 September 2016, notwithstanding date of publication of the notice in the *Gazette*.

THE FOLLOWING ARE THE REASONS FOR THE DECISION:

1. INTRODUCTION

In terms of Section 53 (1) and (7) of the Communications Act , 2009 (Act No. 8 of 2009) (hereinafter referred to as "the Act"), Mobile Telecommunications Limited (hereafter referred to as "MTC") filed for the approval of new prepaid data tariffs on 13 November 2015.

On 18 April 2016 the Board resolved as follows:

- 1. That the proposed new Data tariffs for prepaid Netman Bundles as submitted by MTC is approved for implementation from 29 April 2016 subject to the following conditions:
 - (a) That the terms and conditions must be amended to place an obligation on MTC to give the consumers notification at least seven (7) days and again two (2) days before the expiration of the validity period;
 - (b) That MTC must introduce the following data bundles with no validity period placed on the usage of data for lower end users and users whose data usage patterns might be affected by the expiration of the validity periods.

PRICE (N\$)	MB
15	60
23	100
35	200

The above conditions are imposed in terms of Section 53(14) of the Communications Act.

2. The Board further resolved that MTC should run a SMS campaign to inform the customers of the new terms and conditions of this package and service and that the said terms and conditions can be found on MTC's website. The resolution was made in terms of Section 79(1) of the Communications Act.

MTC was informed of this decision on the 21 April 2016. On 23 May 2016 MTC submitted a notice for the reconsideration of the above-mentioned Board decision.

2. MOBILE TELECOMMUNICATIONS LIMITED'S REASONS FOR REQUEST FOR RECONSIDERATION

2.1 Unprofitability

- (a) MTC is of the opinion that the condition imposed by the Authority is not fair as it is against the very principle of why MTC embarked on a resubmission of data bundles, being that data bundles without validity was not profitable specifically because of the use by M2M (Machine to Machine).
- (b) MTC appointed Analysys Mason to conduct a study on cost and profitability on its behalf. Analysys Mason presented a benchmark using four (4) LRIC (long run incremental costs) from other jurisdictions and applied them to the Mobile Cost Models. Considering Analysis Mason's reputation, and the fact that MTC produced significant studies on both fixed and mobile cost models, and that MTC used a benchmark of public models accepted in several jurisdictions, it is reasonable to

assume that MTC's costs are close to those evaluated in the four selected regulatory cost models.

- (c) Analysis Mason observed the usage of a standard subscriber that acquired data bundles without validity (before November 2015), which shows that 97% depleted their data in 60 days, at the same time considering that the M2M usage patterns are expected to be uniform over a period of 12 months as was interpreted by CRAN.
- (d) The report concluded that data bundles without validity generated the unprofitability of these packages, which factually indicates that these packages are deemed below cost.

2.2 Technically Relevant Facts

- (a) MTC believes that when the Authority imposed the condition that, MTC reintroduce the said data packages without validity, the Authority did not take into consideration a very critical aspect of usage generated by M2M solutions in a network.
- (b) The consideration that M2M is using very low data transaction and arguing that it uses very low resources of the network, is completely incorrect for the following factors:
 - A M2M, especially fleet tracking services, which is consistently on-themove, requires from the network significant signalling from the home location register (HLR) to constantly update the subscriber information for any hand-over;
 - (ii) The HLR subsystem requires licenses for each SIM card in use, whether it is transferring a lot of data or only very small portions of data, to be active;
 - (iii) Also, the OCS (on-line charging system, commonly known as real time charging) has a software business module that charges for the number of active SIM cards;
 - (iv) As well as all the active SIM cards carried in the radio network component, in particular in the WCDMA (3G) radio access network, and even more complex in the LTE radio access network (although for now, MTC does not allow normal prepaid access to LTE, except for Netman 4G Time);
 - (v) The expected wide proliferation SIM of the future e-government, e-health, e-transport, widely known as IOT (internet of things), as MTC understands will have the challenge to provide accessibility to that wide number of active of SIM cards at very low monthly or annual charges, however the Authority and the companies that will sell this devices/apps also needs to understand that it is only sustainable for the future if these low charges do not force MTC to go below the base-line cost of the operator.

2.3 Conflicting Pro-Competition

In this above context, MTC believes that the Authority failed to realise that it is contradicting in its decision regarding the following competition issues:

(a) As per the Analysys Mason report these packages as prescribed by the Authority are likely to have a predatory pricing effect i.e. the price is below cost and the fact that the M2M the user does not have other services that allow MTC to apply cross

subsidisation with other revenue streams, for instance voice calls or text messages, and therefore is in our view not supported by the Act.

- (b) It is in fact, the Applicant's view that the imposition of the condition will prevent, restrict and distort competition since the imposed tariff is below cost.
- (c) Furthermore, CRAN is contradicting itself as parts of its decision states that "Telecom Namibia Limited still offers packages with no validity period, which could increase competitiveness between the two operators" by approving the bundles with validity and in other parts dictating to MTC to re-implement these data bundles without validity. In MTC's view doing so would not be pro-competition and not giving more competitive choices to the customers. It is imperative to highlight that there is no exit cost (SIM card cost N\$6 with N\$5 airtime) for M2M suppliers to migrate to TN Mobile or to other service provider.

2.4 Imposition of the Condition

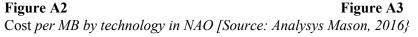
- (a) CRAN indicated in its decision that the imposition of the condition is done in terms of S 53(14). The said Section reads as follows: "If the Authority finds that there are grounds for rejecting the tariff as contemplated in subSection (19), before it comes into operation, it may partially or totally reject the tariff or approve that tariff on condition that specified amendments are made to the tariff concerned ". Own emphasis.
- (b) Section 53(19) states, "The Authority may reject a tariff or part thereof if it will promote the objects of this Act and -
 - (a) It is unreasonable;
 - (b) It does not conform to the terms and conditions stipulated in the license issued to the licensee concerned;
 - (c) It does not comply with regulations made in terms of subsection (20);
 - (d) It is unreasonably discriminatory;
 - *(e) It has the effect of impairing competition;*
 - (f) It is not sufficiently disaggregated so that the user is required to pay for facilities or services which are not necessary for, or reasonably related to the service to which the charge in question relates; or
 - (g) It is not accompanied by such cost information and other supporting material as the Authority may require under subsection {18}".
- (c) At the risk of beleaguering MTC's submission in paragraph 3 above, CRAN's main reason for imposing the condition is to cater for M2M consumers and was of the view that imposing that condition was not anti-competitive as the tariff isn't below cost. The Applicant has shown herein that the implementation of that condition would in fact be below cost and non-profitable to the Applicant.
- (d) The Authority in its decision has not highlighted any other grounds of rejecting the tariff as stipulated in S 53(19) and has in fact stated, "all requirements in terms of Section 53 of the Act that deals with the approval of tariffs have been adhered to.".

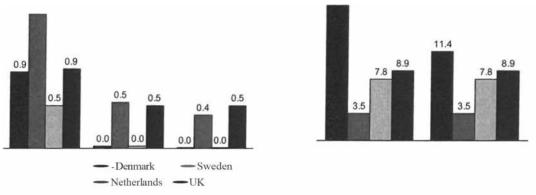
3. CRAN'S RESPONSE TO THE ISSUES RAISED REGARDING RESUBMISSION

3.1 Unprofitability

In order to establish MTC's claim that the tariff is below cost CRAN verified the calculations done by Analysys Mason (the consultants) in their report submitted as Annexure 3 to the Reconsideration application. The first step in this process was to reconstruct the calculations done by the consultants.

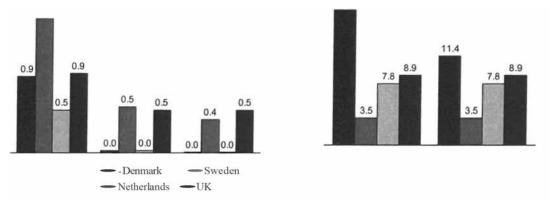
The numbers in black and bold taken from the Report as submitted by MTC and refers to Figures A2 and A3 in the report.





The numbers displayed in red and bold have been verified by the Authority with those in Figure 4.2 and are the same as in the report. The Authority calculated 23.3 as annual cost per SIM for Denmark whereas the consultant calculated an amount of 12.2. This can be attributed to a rounding mistake since the report does not report 2 digit results in graphs.

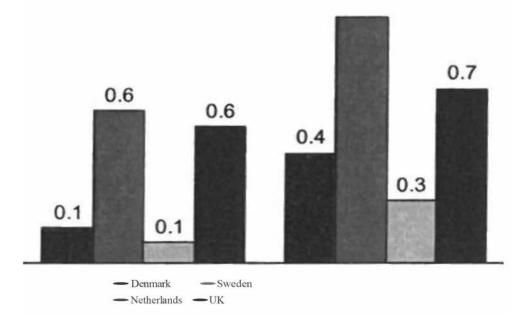




The numbers displayed in red and bold have been verified by the Authority with those in Figure 4.2 and are the same as in the report. The Authority calculated 23.3 as annual cost per SIM for Denmark whereas the consultant calculated an amount of 12.2. This can be attributed to a rounding mistake since the report does not report 2 digit results in graphs.

Figure 4.2:

Effective cost per MB by technology in NAO {Source: Analysys Mason, 2016]

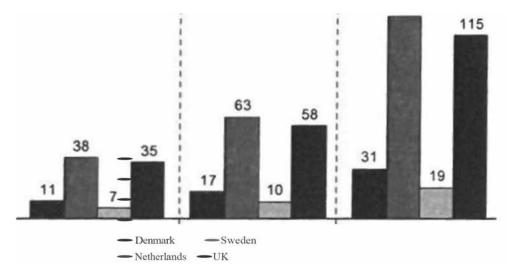


This indicates that the reconstruction is good enough to use these mechanics for other products and user profiles.

The rest of the calculations are based on taking the annual cost per SIM and adding it to the bundled Mega Bytes (MB) times the cost per MB e.g. for the 60MB Bundle based on Sweden's cost figures these are then 7.8 + 60 * 0.1, for the standard user. This calculates to N\$12.3 and not N\$7 as displayed in Figure 4.4. The annual SIM cost in Sweden was already given as N\$7.8.

Figure 4.4:

MTC's entry-level prepaid data bundles with the technology mix and usage period of a standard subscriber [Source: Analysys Mason, 2016]



Given that the calculations for the M2M user profile match more or less (deviations likely to be the result of rounding) the data displayed in Figure 4.6, the conclusion must be that Figure 4.4 is wrong. The exact matching numbers are in bold blue.

Figure 4.6:

MTC's entry-level prepaid data bundles with the technology mix and usage period of an M2M subscriber [Source: Analysys Mason, 2016]

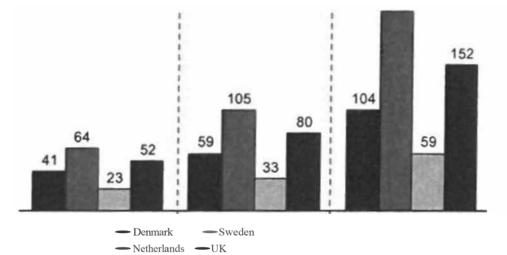


Table 1: Reconstruction of Analysys Mason Bench- marking in NAD		EDGE	HSDPA	HSUPA	MTC Standard User (15% Edge & 85% HSDPA)	MTC M2M (50% Edge & 50% HSDPA)
Cost per SIM	Denmark	17.2	11.4		12.3	14.3
per year	Netherlands	3.5	3.5		3.5	3.5
(Figure A3)	Sweden	7.8	7.8		7.8	7.8
	U.K.	8.9	8.9		8.9	8.9
Cost per MB	Denmark	0.9	0.0	0	0.1	0.5
by technology	Netherlands	1.6	0.5	0.4	0.6	1.0
(Figure A2)	Sweden	0.5	0.0	0	0.1	0.3
	U.K.	0.9	0.5	0.5	0.6	0.7
Effective an-	Denmark				18	44
nual cost for	Netherlands				40	64
60 MB bundle without re-	Sweden				14	26
charge	U.K.				45	51
Effective an-	Denmark				22	64
nual cost for	Netherlands				64	104
100 MB bun- dle without re-	Sweden				18	38
charge	U.K.				69	79
Effective an-	Denmark				32	114
nual cost for	Netherlands				124	204
200 MB bun- dle without re- charge (Figure A4.6)	Sweden				28	68
	U.K.				129	149
Source		Analysys Mason 2016 CRAN Calculations			3	

Based on above conclusion the Authority transferred the mechanics to MTC's proposed tariffs to assess in how far they are below or above cost.

Analysys Mason benchmarks applied to proposed prices

The benchmark costs were transferred to the proposed prepaid products with 60 days validity. MTC stated that the proposed products are profitable indicating that the old products, without validity, are not profitable.

The Authority assumed six (6) recharges per year since the products have a two (2) month or sixty day validity period. Assuming a lesser number of recharge would increase cost since the fixed part of the costs has to be spread across less Mega Bytes.

Table 2 below demonstrates that the benchmark values for the United Kingdom (UK) or Netherlands would mean that the proposed products are all below cost. This indicates that these countries are not suitable benchmarks.

Table 2: MTC's Proposed prepaid data top up - 60 days validity - MTC Standard User								
Top-Up Price	Country	12.00	19.00	79.00	129.00	219.00	329.00	999.00
Bundled MB		40	80	400	800	1,500	3,000	15,000
Price for 6 rech	narges	72.00	114.00	474.00	774.00	1,314.00	1,974.00	5,994.00
Bundle MB for	6 recharges	240	480	2,400	4,800	9,000	18,000	90,000
Annual cost	Denmark	12.3	12.3	12.3	12.3	12.3	12.3	12.3
	Netherlands	3.5	3.5	3.5	3.5	3.5	3.5	3.5
	Sweden	7.8	7.8	7.8	7.8	7.8	7.8	7.8
	U.K.	8.9	8.9	8.9	8.9	8.9	8.9	8.9
Per MB cost	Denmark	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	Netherlands	0.6	0.6	0.6	0.6	0.6	0.6	0.6
	Sweden	0.1	0.1	0.1	0.1	0.1	0.1	0.1
	U.K.	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Benchmarked	Denmark	36	60	252	492	912	1,812	9,012
cost	Netherlands	148	292	1,444	2,884	5,404	10,804	54,004
	Sweden	32	56	248	488	908	1,808	9,008
	U.K.	153	297	1,449	2,889	5,409	10,809	54,009
Benchmarked	Denmark	36.00	54.00	222.00	282.00	402.00	162.00	-3,018.00
profit / loss	Netherlands	-76.00	-178.00	-970.00	-2,110.00	-4,090.00	-8,830.00	-48,010.00
	Sweden	40.00	58.00	226.00	286.00	406.00	166.00	-3,014.00
	U.K.	-81.00	-183.00	-975.00	-2,115.00	-4,095.00	-8,835.00	-48,015.00

Third User Profile

Additional to the MTC user profiles of standard and M2M user the Authority included an Internet of Things (IoT) profile which is based on 100% 3G usage. Point of Sales (POS) systems and water and electricity meters with a SIM cards are examples for such usage.

Table 3: Cos profil		EDGE	HSDPA	HSUPA	MTC Standard User	MTC M2M User	IOT user
Cost per SIM	Denmark	17.2	11.4		12.3	14.3	11.4
per year	Sweden	7.8	7.8		7.8	7.8	7.8
Cost per MB	Denmark	0.9	0.0	0	0.1	0.5	0.0
by technology	Sweden	0.5	0.0	0	0.1	0.3	0.0
Source		Analysys M	ason 2016)		CRAN Calc	ulations	

Application of the benchmarks from Sweden and Denmark indicate a below cost price for the products without validity for the M2M profile. This is however not the case for the Standard User or the Internet of Things profile.

Table 4: Pro	fit/loss across	user profiles	MTC Stan- dard User	MTC M2M	ют
Cost per SIM per ye	ear	Denmark	12.3	14.3	11.4
Sweden		7.8	7.8	7.8	
Cost per MB by technology Sweden		Denmark	0.1	0.5	0
		0.1	0.3	0	
Effective annual	60MB	Denmark	18	44	11
cost for bundle with 1 recharge		Sweden	14	26	8
with i recharge	100MB	Denmark	22	64	11
		Sweden	18	38	8
	200MB	Denmark	32	114	11
		Sweden	28	68	8
Effective annual	60MB	Denmark	48	194	11
cost for bundle with 6 recharges		Sweden	44	116	8
with 6 recharges	100MB	Denmark	72	314	11
		Sweden	68	188	8
	200MB	Denmark	132	614	11
		Sweden	128	368	8
Profit/loss for	60MB	Denmark	-3	-29	4
bundle with 1 re- charge		Sweden	1	-11	7
charge	100MB	Denmark	1.0	-41	12
		Sweden	5	-15	15
	200MB	Denmark	3	-79	24
		Sweden	7	-33	27
Profit/loss for	60MB	Denmark	42	-104	79
bundle with 6 re- charges		Sweden	46	-26	82
charges	100MB	Denmark	66	-176	127
		Sweden	70	-50	130
	200MB	Denmark	78	-404	199
		Sweden	82	-158	202

On 9 August 2016 the Authority requested MTC to submit additional information with regards to:

- 1. The costing of the on-line charging system (OCS);
- 2. The costing of the home location register (HLR); and
- 3. The billing currency that MTC is billed in for SIM.

MTC responded on 11 August 2016 by providing the information as was requested.

The information was utilized to do some additional calculations and to verify the cost calculations as submitted by MTC.

Applying benchmarks with MTCs annual SIM OPEX

MTC stated in their letter dated 11 August 2016 that the annual co a SIM card (OPEX) is Euro 0.62 and USD 0.10. The SIM related OPEX at current exchange rates is thus N\$11.08.

Table 5: Profit/loss	across user	profiles	MTC Standard User	MTC M2M	ЮТ
Cost per SIM per ye	ear	MTC OPEX	11.08	11.08	11.08
MTC OPEX		11.08	11.08	11.08	
Cost per MB by technology Sweden		Denmark	0.1	0.5	0
		0.1	0.3	0	
Effective annual	60MB	Denmark	17	41	11
cost for bundle		Sweden	17	29	11
with 1 recharge	100MB	Denmark	21	61	11
		Sweden	21	41	11
	200MB	Denmark	31	111	11
		Sweden	31	71	11
Effective annual	60MB	Denmark	47	191	11
cost for bundle		Sweden	47	119	11
with 6 recharges	100MB	Denmark	71	311	11
		Sweden	71	191	11
	200MB	Denmark	131	611	11
		Sweden	131	371	11
Profit /loss for	60MB	Denmark	-2	-26	4
bundle with 1 re- charge		Sweden	-2	-14	4
charge	100MB	Denmark	2.0	-38	12
		Sweden	2	-18	12
	200MB	Denmark	4	-76	24
		Sweden	4	-36	24
Profit /loss for	60MB	Denmark	43	-101	79
bundle with 6 re-		Sweden	43	-29	79
charges	100MB	Denmark	67	-173	127
		Sweden	67	-53	127
	200MB	Denmark	79	-401	199
		Sweden	79	-161	199

Using MTC's actual OPEX does not change the conclusion of the previous calculations that the products without validity are indeed not below cost.

3.2 Technically Relevant Facts

The reconstruction of AM's benchmarks indicates that MTC's mobile prepaid data packages without validity are not necessarily below cost. For urban M2M applications, also referred here to Internet of Things (IoT), they are profitable.

For very specific M2M application such as in trucks it may not be profitable. However, a user sending just a single SMS per month would neither be profitable for MTC given the CAPEX and OPEX co a SIM card. It is generally accepted that for any product some exceptional users may be unprofitable.

3.3 Conflicting Pro-Competition

The analyses done by the Authority shows that only in extreme cases would the packages as prescribed by the Authority be below cost and therefore the imposition of the condition will not prevent, restrict and distort competition as claimed by MTC.

Further, Telecom Namibia offers packages with no validity as indicated in the original decision by the Authority. However. Telecom Namibia does not have the coverage that MTC

has and therefore it would be unreasonable from MTC and the Authority to expect customers to change from service provider just because MTC no longer wishes to provided packages for certain groups of customers.

3.4 Imposition of the Condition

Section 53(14) states that "If the Authority finds that there are grounds for rejecting the tariff as contemplated in subSection (19), before it comes into operation, it may partially or totally reject the tariff or approve that tariff on condition that specific amendments are made to the tariff concerned."

Section 53(19) states that the "Authority may reject a tariff or part thereof if it will promote the objects of this Act and - (d) it is unreasonably discriminatory."

The Authority is of the opinion that this tariff is discriminatory against specific user profiles such as M2M communication in some cases as well as low-end data users as well as other Standard Users or the Internet of Things (IoT).

It is further unreasonable in terms of Section 53(19)(a) to expect customers to change service providers just because MTC, as dominant licencee for mobile services, no longer wishes to provide packages for certain groups of customers.

4. CONCLUSIONS AND RECOMMENDATIONS

From the analysis conducted by the Authority the following was concluded:

The United Kingdom and Netherlands are not suitable benchmarks for the study.

Application of the benchmarks from Sweden and Denmark indicate a below cost price for the products without validity for the M2M profile.

Application of the benchmarks from Sweden and Denmark for the Standard User or the Internet of Things profile does not indicate below cost prices for these products.

Using MTC's actual OPEX does not change the conclusion of the previous calculations that the products without validity are indeed not below cost.

It is generally accepted that for any product some exceptional users may be unprofitable.

The Authority is of the opinion that this tariff is discriminatory against specific user profiles such as M2M communication in some cases as well as low-end data users as well as other Standard Users or the Internet of Things (IoT).

By introducing a longer validity period on lower end packages would in the opinion of the Authority address the concerns of MTC of unprofitability of packages.

It is further unreasonable in terms of Section 53(19)(a) to expect customers to change service providers just because MTC, as dominant licensee for mobile services, no longer wishes to provide packages for certain groups of customers.

5. DECISION

The Authority herewith approves the application for reconsideration of the proposed tariff for Mobile Telecommunication Limited as submitted, for implementation effective from 15 September 2016 as follows:

1. To order Mobile Telecommunications Limited to reintroduce the following data bundles with a validity period of a hundred and twenty (120) days placed on the usage of these packages only.

Price (N\$)	MB
15	60
23	100
35	200

2. That Mobile Telecommunications Limited may take this decision on review in terms of Section 32 of the Communications Act.

F. KISHI CHAIRPERSON OF THE BOARD OF DIRECTORS COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

No. 400

2016

REGULATIONS PRESCRIBING SHARING OF INFRASTRUCTURE: COMMUNICATIONS ACT, 2009

The Communications Regulatory Authority, in terms of section 129, read with sections 48 and 50 of the Communications Act, 2009 (Act No. 8 of 2009), makes the regulations set out in the Schedule.

INTRODUCTORY PROVISIONS

1. Definitions

In these regulations, any word or expression to which a meaning is assigned in the Act, shall have the same meaning and -

"Act" means the Communications Act, 2009 (Act No. 8 of 2009);

"active infrastructure-sharing" means sharing of infrastructure contained in the active layer of the network;

"active layer of the network" means the active electronic network elements as defined in section 48(9) of the Act;

"Authority" means the Communications Regulatory Authority of Namibia as established in terms of Section 4 of the Communications Act, 2009 (Act No. 8 of 2009);

"carrier" means a carrier contemplated in section 47(3) of the Act;

"carrier infrastructure" means poles, ducts and conduits belonging to a carrier;

"carrier infrastructure access agreement" means an agreement contemplated by section 48(1)(a) of the Act entered into between a carrier infrastructure acquirer and a carrier infrastructure provider to enable such acquirer to have access to any carrier infrastructure of such provider;

"carrier infrastructure acquirer" means a carrier who seeks access to the carrier infrastructure of a carrier infrastructure provider;

"carrier infrastructure provider" means a carrier who has a duty to provide carrier infrastructure in accordance with section 48(1) of the Act;

"conduits" means any protective tube, pipe, or tunnel through which wires, fibres, cables or similar items can pass;

"dominant carrier" means a carrier which the Authority has determined in accordance with section 78 of the Act to hold a dominant position in the market for telecommunications services;

"ducts" means a system of distribution and feeder ducts or a network of raceways embedded in concrete;

"equipment" in relation to a network element includes any thing or apparatus used in connection with telecommunication services;

"facility" in relation to a network element means any facility, any apparatus or other thing that is used or is capable of being used for telecommunications or for any operation connected with telecommunications and without limitation includes -

- (a) tangible facilities such as poles, ducts, conduits, apparatus, antennas, antenna feeders, access nodes, towers, masts tunnels, buildings, landing stations or other similar equipment; and
- (b) intangible facilities such as sharing agreements, software applications, central databases, network content, wireless transmission services and other similar intangible assets designed to facilitate the termination and transport of telecommunication services;

"infrastructure-sharing agreement" means an agreement contemplated by section 50(1) of the Act between a dominant carrier and a requesting carrier to enable the requesting carrier to -

- (a) lease infrastructure of the dominant carrier;
- (b) to install telecommunications equipment on such infrastructure; or
- (c) otherwise utilise such infrastructure.

"infrastructure-sharing request" means a written request from a requesting carrier to a dominant carrier to provide active or passive infrastructure sharing of facilities.

"interconnection point" means the technically feasible point of interconnection between carriers' respective networks where an originating carrier's traffic is deemed to be handed off to the terminating carrier's network for the purpose of determining reciprocal compensation;

"network element" means a network element referred to in section 48(9) of the Act;

"network element access agreement" means an agreement contemplated by section 48(2) of the Act entered into between a requesting carrier and a dominant carrier to enable the requesting carrier to have access to any network element equipment or facility of the dominant carrier;

"passive structure-sharing" means sharing of infrastructure contained in the physical layer of the network;

"physical co-location" means a type of co-location where a carrier in control of a building, tower or other structure in or on which that carrier's switches, antennas or other equipment are accommodated, allows another carrier to also operate those switches, antennas or equipment; "poles" means structures designed to support antennas or aerials to enable telecommunications services and includes towers, masts or similar structures;

"reciprocal compensation agreement" means an agreement between two carriers in accordance with section 48(1)(b) of the Act in which each carrier receives compensation from the other for the transport and termination on each carrier's infrastructure of telecommunications that originate on any portion of the telecommunications network of the other carrier, regardless of the network technology utilised by the carrier to transport or terminate the telecommunications;

"requesting carrier" means a carrier requesting from a dominant carrier access to its network elements on an unbundled basis at any technically feasible point;

"spare capacity" means capacity exceeding the capacity necessary to meet normal demands that a utility could objectively justify in operational or economic terms;

"telecommunications", for purposes of a reciprocal compensation agreement, means the conveyance by electromagnetic means from one device to another of any encrypted or non-encrypted sign, signal, impulse, writing, image, sound, instruction, information, or intelligence of any nature, whether for the information of any person using the device or not;

"termination" means the switching of telecommunications at the terminating carrier's efice switch, or equivalent facility, and delivery of such traffic to the called party;

"transport" means the transmission, and any necessary tandem switching of telecommunications from the interconnection point between carriers to the terminating carrier's efice switch that directly serves the called party, or equivalent facility provided by a carrier;

"utility" means a utility referred to in section 50(11) of the Act;

"virtual co-location" means co-location where equipment is placed in the equipment line-up of a carrier and is maintained by that carrier.

Submission of documents to the Authority

- 2. In these regulations, when persons are permitted or called upon to submit information to the Authority in writing, they may do so either physically or electronically -
 - (a) by hand to the head offices of the Authority, namely Communication House, 56 Robert Mugabe Avenue, Windhoek;
 - (b) by post to the head offices of the Authority, namely Private Bag 13309, Windhoek 9000;
 - (c) by electronic mail to the following address: <u>operations@cran.na</u>;
 - (d) by facsimile to the following facsimile number: +264 61 222790; or
 - (e) in any other manner or at alternative addresses set out by the Authority from time to time.

Application and Purpose

- **3.** (1) These regulations apply to-
 - (a) all carriers;

- (b) any dominant carriers;
- (c) all utilities.
- (2) The purpose of these regulations is to-
 - (a) regulate the duties imposed on carriers, dominant carriers and utilities by sections 48 and 50 of the Act;
 - (b) set out the terms upon which carriers, dominant carriers and utilities must agree to fulfil those duties; and
 - (c) ensure that any conditions and charges for agreements contemplated by these regulations are reasonable, non-discriminatory and fairly apportioned.

Duty to negotiate agreements in good faith

- **4.** (1) Upon receipt of a notice to negotiate any agreement contemplated by these regulations, a carrier, dominant carrier or utility must participate in good faith negotiations to enter into any such agreement.
 - (2) The following actions or practices are deemed to contravene the duty in subregulation (1) to negotiate in good faith:
 - (a) obstructing or delaying negotiations, or failing to make reasonable efforts to resolve outstanding disputes; or
 - (b) refusing to provide information about the telecommunications services, telecommunications network, infrastructure or network elements of the carrier or dominant carrier or the tower, mast, pole, duct, conduit or pipe of a carrier that are necessary for any agreement contemplated by these regulations; or
 - (c) misleading or coercing a carrier, dominant carrier or utility into reaching an agreement it would not otherwise have made; or
 - (d) interfering in any way with a the ability of a carrier, dominant carrier or utility to communicate with the Authority, including requiring such carrier or utility not to disclose information requested by the Authority; or
 - (e) refusing to permit amendment of any agreement contemplated by these regulations to take into account changes in circumstances, including changes to the Act.
 - (3) A carrier, dominant carrier or utility may not be required to enter into an agreement contemplated by these regulations on terms that would, on reasonable grounds either:
 - (a) cause or be likely to cause material danger, damage or injury to any person or any property; or
 - (b) cause material damage or otherwise materially interfere with the operation of its telecommunications network, infrastructure, network elements or the provision of its telecommunications services to its end users.

Just, reasonable and non-discriminatory rates, terms and conditions of agreements

- **5.** (1) Subject to these regulations, all carriers, dominant carriers and utilities must make infrastructure, technology, information, network elements, the transport and termination of telecommunications, services or functions, as the case may be, available to a qualifying carrier on just, reasonable and non-discriminatory rates, terms and conditions.
 - (2) Without limiting the generality of subregulation (1), a carrier, dominant carrier or utility may not propose, enter into, or give effect to, any contract, arrangement or understanding containing a provision:
 - directly or indirectly fixing, controlling or maintaining the price, or other terms and conditions of supply, lease or acquisition of infrastructure, a network element, spare capacity, the transport and termination of telecommunications or any telecommunication service; or
 - (b) preventing or restricting the supply, lease or acquisition of infrastructure, a network element, spare capacity, the transport and termination of telecommunications or any telecommunication service to or from another carrier or class of carriers;
 - (3) Any agreement contemplated by these regulations, which is based on a bartering system, is prohibited.
 - (4) No provision of an agreement contemplated by these regulations that has the purpose, effect, or is likely to have the effect of, being unjust or discriminatory in relation to any carrier or utility, or of excluding any carrier or utility is enforceable.

Carrier disputes

- 6. (1) If a carrier, dominant carrier or utility refuses to enter into any agreement contemplated by these regulations with another carrier within the applicable time periods, that carrier may request the Authority to conduct a hearing to determine whether or not the carrier, dominant carrier or utility has reasonable grounds for its refusal.
 - (2) If two or more carriers fail to reach agreement on any terms and conditions of any agreement contemplated by these regulations within a period of 30 days from the date of receipt of a written notice provided under regulations 8(1), 9(1) and 10(1) the dispute may be referred by one or more carriers to the Authority to conduct a hearing for determination of the dispute.
 - (3) A request for a hearing referred to in subregulations (1) and (2) must be submitted in writing, setting out the reasons forming the basis for the request, including but not limited to specific areas of disagreement and agreement.
 - (4) If a dispute is referred to the Authority in accordance with subregulations (1) and (2), the Authority may-
 - (a) order the carriers to enter into an agreement contemplated by these regulations on such terms and conditions as the Authority determines; or
 - (b) determine that such agreement should not be entered into.

Publication of information on infrastructure and network elements

- 7. (1) All carriers must publish on their websites information in respect of carrier infrastructure to which they will afford access to other carriers.
 - (2) All dominant carriers must publish on their websites information in respect of -
 - (a) unbundled network elements to which those dominant carriers will afford access to other carriers; and
 - (b) infrastructure available for lease to or use by other carriers.
 - (3) All utilities must publish on their websites information in respect of spare capacity available for lease by carriers.
 - (4) A carrier, dominant carrier or utility referred to in subregulations (1), (2) and (3), respectively must submit a copy of the published information contemplated in those subregulations to the Authority for publication on its website.
 - (5) Information required in terms of subregulation (4) must be submitted to the Authority within 60 days from the date that the carrier, dominant carrier or utility as the case may be, started using the infrastructure.
 - (6) The Authority must on its website maintain an updated register of the information provided to it in terms of subregulations (1), (2) and (3).

Carrier infrastructure access agreement

- **8.** (1) Every carrier has the right to require, by notice in writing, any other carrier that operates a telecommunications network in Namibia to negotiate in good faith a carrier infrastructure access agreement.
 - (2) Subject to these regulations, the carrier infrastructure acquirer and the carrier infrastructure provider must negotiate just, reasonable and non-discriminatory, rates, terms and conditions in terms of which such provider grants carrier infrastructure access to such acquirer.
 - (3) Subject to these regulations, rates, terms, and conditions for a carrier infrastructure access agreement must be established through negotiated agreements.
 - (4) Whenever a carrier infrastructure provider intends to modify or alter its carrier infrastructure, such provider must provide written notification of such action to a carrier infrastructure acquirer that has obtained an attachment to such carrier infrastructure so that such acquirer may have a reasonable opportunity to add to or modify its existing attachment.
 - (5) Any carrier infrastructure acquirer that adds to or modifies its existing attachment after receiving the notification referred to in subregulation (4) must bear a proportionate share of the costs incurred by the carrier infrastructure provider in making such carrier infrastructure accessible.
 - (6) A carrier that obtains an attachment to carrier infrastructure is not required to bear any of the costs of rearranging or replacing its attachment, if such rearrangement or replacement is required as a result of an additional attachment or the modification of an existing attachment sought by any other carrier (including the provider of such carrier infrastructure).

Reciprocal compensation agreements

- **9.** (1) Every carrier has the right to require, by notice in writing, any other carrier that operates a telecommunications network in Namibia to negotiate in good faith a reciprocal compensation agreement.
 - (2) All carriers exchanging telecommunications must measure minutes-of-use for compensation purposes if technically and economically feasible, unless they mutually agree to a different arrangement.
 - (3) The rate for access to network elements is just and reasonable if such rate-
 - (a) provides for the mutual and reciprocal recovery by each carrier of costs associated with the transport and termination on each carrier's network of telecommunications that originate on the network facilities of the other carrier; and
 - (b) determines such costs on the basis of a reasonable approximation of the additional costs of termination.
 - (4) Subject to these regulations, rates, terms, and conditions for the transport and termination of telecommunications must be established through negotiated agreements.

Network element access agreements

- **10.** (1) A requesting carrier has the right to require, by notice in writing, unbundled access to the network elements of a dominant carrier.
 - (2) Upon receipt of a notice under subregulation (1), the dominant carrier must participate in good faith negotiations with the requesting carrier to enter into a network element access agreement.
 - (3) A dominant carrier may not-
 - (a) bundle access to network elements, in such a manner that the requesting carrier acquires a network element or service that it does not need as a condition of having such access to the dominant carrier's network elements;
 - (b) adopt technical specifications for networks or systems to prevent access to its network elements of, or interoperability with, a network or system of the dominant carrier.
 - (4) Without limiting the scope of a network element access agreement, such agreement-
 - (a) must provide for a detailed schedule of itemized charges negotiated between the dominant carrier and the requesting carrier for each network element included in the agreement;
 - (b) subject to section 48(4) of the Act, must provide that a dominant carrier has to provide unbundled access to its network elements in a manner that would allow a requesting carrier to combine such elements;
 - (c) subject to section 48(5) of the Act, must provide for physical co-location of equipment necessary for access to unbundled network elements at the premises of the dominant carrier, if such network elements relate to the market segment in which the carrier is dominant; and

- (d) may provide for virtual or any other form of co-location if a dominant carrier is able to demonstrate to the Authority that physical co-location is not practical for technical reasons or because of space limitations.
- (5) The rate for access to network elements is just and reasonable if such rate-
 - (a) is based on the cost (determined without reference to a rate-of-return or other rate-based proceeding) of providing the network element;
 - (b) is non-discriminatory; and
 - (c) if it includes a profit, such profit is reasonable.

Infrastructure-sharing agreements

- **11.** (1) A requesting carrier has the right to require a dominant carrier, by means of an infrastructure-sharing request to-
 - (a) lease any component of the dominant carrier's infrastructure;
 - (b) install telecommunications equipment on such infrastructure; or
 - (c) otherwise utilise such infrastructure.
 - (2) The infrastructure-sharing request referred to in subregulation (1) must indicate whether the requesting carrier seeks-
 - (a) active infrastructure-sharing; or
 - (b) passive infrastructure-sharing; or
 - (c) a combination of passive and active infrastructure-sharing.
 - (3) The dominant carrier must complete an assessment of its infrastructure and provide a written decision in respect of the infrastructure-sharing request referred to in subregulation (1) to the requesting carrier within 30 days from date of receipt of the request, stating-
 - (a) whether the carrier has infrastructure available to be shared and confirmation that negotiations for an infrastructure-sharing agreement should commence; and
 - (b) the technical requirements necessary to ensure successful connection to the dominant carrier's infrastructure; or
 - (c) whether the dominant carrier refuses the infrastructure-sharing request subject thereto that the dominant carrier must give reasons for such refusal, in accordance with section 50(1) of the Act.
 - (4) After providing a written decision referred to in subregulation (3) accepting an infrastructure-sharing request, the dominant carrier must participate in good faith negotiations with the requesting carrier to enter into an infrastructure-sharing agreement.

- (5) Subject to these regulations, the dominant carrier and the requesting carrier must negotiate reasonable and non-discriminatory conditions and charges that are fairly apportioned between such carriers.
- (6) The negotiation and signing of an infrastructure-sharing agreement must be completed no later than sixty (60) days from-
 - (a) the date of receipt of the written decision in terms of subregulation (3) confirming the dominant carrier's acceptance of the infrastructure-sharing request by the requesting carrier; or
 - (b) the date the requesting carrier receives written confirmation of acceptance of the proposed technical requirements to connect to the dominant carrier's infrastructure,

which ever is the earlier.

- (7) A dominant carrier that has entered into an infrastructure-sharing agreement in terms of these regulations must provide to all parties to such agreement timely information on the planned deployment of telecommunications services and equipment, including any software or upgrades of software integral to the use or operation of such telecommunications equipment.
- (8) All infrastructure-sharing agreements must be non-exclusive and non-discriminatory.
- (9) An infrastructure-sharing agreement must contain information on issues relevant to the dominant carrier and the requesting carrier.
- (10) Without limiting the generality of subregulation (9) an infrastructure-sharing agreement should include the following:
 - (a) purpose of the infrastructure-sharing agreement;
 - (b) obligations of both parties;
 - (c) duration of the agreement;
 - (d) tariffs and billing conditions;
 - (e) service description;
 - (f) implementation and co-ordination;
 - (g) access to facilities and co-operation;
 - (h) information relating to maintenance and operation;
 - (i) subletting and conditions; and
 - (j) any other information pertinent to the contract between the parties.
- (11) For the purpose of this regulation, "telecommunications equipment" means equipment used by a carrier to provide telecommunications services, and includes software integral to such equipment, including upgrades.

Utility Agreements

- 12. (1) A requesting carrier has the right to require a utility by means of a written notice to lease any spare capacity available in any tower, mast, pole, duct, conduit or pipe to the requesting carrier in order to-
 - (a) attach any telecommunications equipment to such infrastructure; or
 - (b) lay any telecommunications wires or fibre in such infrastructure.
 - (2) Upon receipt of a notice under subregulation (1), the utility must complete an assessment of whether it has any spare capacity available in any of its towers, masts, poles, ducts, conduits or pipes and provide a written decision to the requesting carrier within 30 days from date of receipt of the request referred to in subregulation (1), stating-
 - (a) whether the utility has such spare capacity available to be leased and confirmation that negotiations for an infrastructure-sharing agreement should commence; and
 - (b) the technical requirements necessary to ensure successful connection to the utility's towers, masts, poles, ducts, conduits or pipes; or
 - (c) whether the utility refuses the request subject thereto that the utility must give reasons for such refusal, in accordance with section 50(7) of the Act.
 - (3) Upon acceptance of the request referred to in subregulation (1), the utility must participate in good faith negotiations with the requesting carrier to enter into a utility agreement.
 - (4) Subject to these regulations, the utility and the requesting carrier must negotiate reasonable and non-discriminatory conditions and charges that are fairly apportioned between the utility and carrier.
 - (5) For purposes of subregulation (4), a rate is just and reasonable if it assures a utility the recovery of-
 - (a) not less than the additional costs of providing attachments to its towers, masts, poles, ducts, conduits or pipes; and
 - (b) not more than an amount determined by multiplying the percentage of the total spare capacity occupied by such attachment by the sum of the operating expenses and actual capital costs of the utility attributable to the entire tower, mast, pole, duct, conduit or pipe.
 - (6) A utility that has entered into a utility agreement in terms of these regulations must provide timely information to all parties to such agreement on any planned deployment of services and equipment, including any software or upgrades of software integral to the use or operation of the utility's tower, mast, pole, duct, conduit or pipe.

Duty to lodge agreements with Authority

13. (1) All signed agreement contemplated by these regulations must be submitted to the Authority within 30 days from the concluding of the agreement.

(2) Unless the parties agree to a later date, all signed agreements referred to in subregulation (1) come into operation 30 days after such agreement is submitted to the Authority, unless the Authority objects to any aspect of the agreement.

Combining agreements

14. Nothing in these regulations may be construed as preventing carriers, dominant carriers or utilities from entering into agreements comprising a combination of any of the agreements contemplated by these regulations.

Penalties

- **15.** (1) Any carrier, dominant carrier or utility that fails to submit information or adhere to any regulation, shall be guilty of contravening these regulations.
 - (2) Without derogating from the generality of subregulation (1), where a carrier, dominant carrier or utility contravenes one or more of the regulations contained herein, the Authority may-
 - (a) issue a written warning to that carrier, dominant carrier or utility and final date for submitting outstanding information where the licensee is guilty of not submitting information as required by these regulations;
 - (b) impose a penalty of not more than N\$500,000.00 for-
 - (i) every failure by a licensee to comply with any requirement or obligation contained in these regulations;
 - (ii) each submission or causing the submission of false or misleading information to the Authority; or
 - (iii) every failure to submit any documents or information as required pursuant to a written warning issued in terms of paragraph (a); or
 - (c) take any other measure the Authority regards as reasonable in the circumstances.
 - (3) Any amount of penalty payable in terms of paragraphs (b) or (c) of subregulation (2) constitutes a debt due to the Authority by the carrier, dominant carrier, utility or other person involved and may be recovered by the Authority by means of proceedings instituted in any competent court.
 - (4) Notwithstanding subregulations (1) and (2), the Authority may waive the payment of or refund the whole or any part of a penalty payable.
 - (5) Before imposing any penalty as contemplated by paragraphs (b), (c) or (d) of subregulation (2), the Authority must give an affected carrier, dominant carrier, utility or other person the opportunity to be heard, where after the Authority may-
 - (a) decide not to impose any penalty; or
 - (b) impose such penalty the Authority deems fit.

Offences

16. (1) A carrier, dominant carrier, utility or other person who—

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- (a) fails to submit, during a time specified by the Authority, information requested by the Authority pursuant to these regulations;
- (b) submits or publishes false or misleading information about its infrastructure, network elements or any other matter;
- (c) obstructs or prevents an inspection or investigation carried out by the Authority pursuant to these regulations;
- (d) engages in any act or omission whose effect would be to defeat the purposes of these regulations,

commits an offence, which the Authority will prosecute in accordance with the Act.

Transitional arrangements

- 17. (1) Within 90 days from the date these regulations came into force, all carriers, dominant carriers and utilities must submit to the Authority full details of existing carrier infrastructure, network elements or spare capacity owned or leased by such carrier, dominant carrier or utility.
 - (2) Subject to subregulation (5), agreements contemplated by these regulations that were concluded before the regulations came into force must remain in force until the date of termination as stipulated in such agreements subject thereto that-
 - (a) charges negotiated in terms of those agreements remain unchanged;
 - (b) any provision in the existing agreement for automatic renewal is of no force and effect;
 - (c) such agreement complies with the Act; and
 - (d) after such agreements lapsed, new agreements must be negotiated complying with these regulations.
 - (3) Agreements contemplated by these regulations that were concluded before these regulations came into force must be submitted to the Authority within 90 days from the date these regulations came into force.
 - (4) The Authority must assess all agreements referred to in subregulation (3) and must determine within 120 days after they were submitted to the Authority whether any provision of such agreements contravenes the Act or is unjust or discriminatory in relation to any carrier or utility, or is designed to exclude any carrier or utility.
 - (5) Notwithstanding subregulation (2) any provision in an agreement referred to in subregulation (3)-
 - (a) that contravenes the Act, is void to the extent of such contravention;
 - (b) that is unjust or discriminatory in relation to any carrier or utility, or is designed to exclude any carrier or utility is unenforceable.

F. KISHI CHAIRPERSON OF THE BOARD OF DIRECTORS COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

No. 401

2016

REDUCTION IN FIXED AND MOBILE TERMINATION RATES

The Communications Regulatory Authority of Namibia herewith gives notice that, in consultation with the relevant telecommunications service licensees, it has reduced the mobile and fixed termination rates effective from that date of the publication of this notice.

THE FOLLOWING ARE THE REASONS FOR THE DECISION:

1. BACKGROUND

Section 2(k) of the Communications Act, 2009 (Act No. 8 of 2009) (the Act) states that the objects of the Act are "to ensure fair competition and consumer protection in the telecommunications sector."

Call termination, or voice termination, is a telephony service of a telecommunication carrier who completes the telephone calls originated by a customer, the calling party, to the intended destination, the called party. It is therefore the service of terminating a telephone, fax or other telecommunication call to the called party.

Call termination is a natural monopoly and overwhelming international evidence exists that costbased termination rates encourage competition and affordable pricing. Cost-based termination rates remove market distortions and provide efficient investment incentives. The net effect of fair competition is lower costs of communication, better services and more equitable returns on investment for all operators. It is therefore clear that by lowering termination rates this objective of the Act will be fulfilled.

In the recent Dominant Study published as General Notice No. 214 in Government Gazette No. 6054 dated 28 June 2016 call termination was defined as a market and declared as a natural monopoly in which all telecommunications service liensees would be dominant.

Three things need to be kept in mind when discussing interconnection arrangements:

- (a) Every operator has a monopoly on call termination on its network (termination monopoly, ERG 2007b). Interconnection therefore needs to be regulated.
- (b) No operator builds a network solely to make money from interconnection. Operators build networks mainly to make money from selling services to their subscribers.
- (c) Not only the calling party, but also the receiving party derives a benefit from a call. Terminating a call for another operator thus also provides a benefit to its own network. Cost based termination allows for cost recovery for the terminating network while providing an implicit mark-up due to the benefits to the receiving party on the terminating network.

Generally accepted key principles for interconnection regulation are: transparency, non-discrimination and cost-orientation.

In 2009 the then Namibia Communications Commission chose international benchmarks to determine interconnection rates based on the co an efficient operator, based on countries that implemented Long Run Incremental Cost (LRIC). Termination rates were decreased from N\$ 1.06 in January 2009 to N\$ 0.30 in January 2013.

On 1 November 2014 the mobile and fixed termination rates were further decreased by the Authority from N\$ 0.30 to N\$ 0.20 and SMS termination was decreased from N\$ 0.20 to N\$ 0.01 based on an industry consensus.

The co call termination is traffic sensitive and falls with increased call volume. Mobile traffic has grown exponentially and the co call termination is likely to have fallen further.

Figure 1:	Quarterly	outgoing	traffic
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Table 1: MTC's co call termination estimate (FY ending September 2015)						
MTC Company	FY 2013	FY2014	FY2015			
Depreciation in N\$ million	205.489	231.395	221.913			
Direct Cost in N\$ million	302.145	366.372	407.96			
Traffic outgoing in million minutes per Calendar year	2,824.45	3,361.36	4,818.14			
Estimated co origination and termination in N\$	0.18	0.18	0.13			
Estimated co call termination at 50% assumption in N\$ 0.09 0.09 0.07						
Notes: This is a highly simplified calculation and allocates all costs to calls (not SMS and data) and is thus likely to be an overstatement.						

The table above presents a rough calculation for the co an efficient operator for call termination based on MTC's financials and traffic. The estimated co terminating a call dropped to N\$ 0.07 in 2015.

This means that the MTR can be dropped to at least N\$ 0.10. The Authority engaged Mobile Telecommunications Limited (MTC) in discussions on their costs and the downward adjustment of the MTR.

1.1 TELECOM NAMIBIA LIMITED'S COMMENTS ON THE PROPOSED REDUCTION OF TERMINATION RATES

The Authority also engaged Telecom Namibia Limited (hereafter referred to Telecom Namibia) in discussions to reduce the termination rates. Telecom Namibia expressed the following reservations:

- (i) Telecom Namibia remains in favour of the asymmetric interconnect regime due to differences in cost structures between fixed and mobile networks. Telecom Namibia has however agreed to a reduction in termination rates, as proposed, for both fixed and mobile destinations.
- (ii) The aforegoing being noted, Telecom Namibia confirmed that such agreement is subject to this initiative being limited to a nationally originating off-net traffic only as proposed by the Authority.
- (iii) Telecom Namibia further proposed a review of the current price cap which in their opinion has not yielded results for levelling the playing field, based on the fact that since its introduction, TN Mobile continued to be disadvantaged and subjected to more off-net costs as it is forced to charge on-net tariffs for off-net calls destined to MTC. The traffic imbalance has since continued and MTC continued to protect its on-net traffic through promotions and bundles that cannot be profitably matched by TN mobile.
- (iv) Telecom Namibia's proposal is accordingly to discontinue with the "on-net = off-net" cap and introduce a new off-net retail price cap in the form of a fixed price per minute ceiling set at reasonable levels to ensure fair competition and the desired effect of the proposal by the Regulator, which is left at the current cap will put Operators such as Telecom in a position of surrender due to our inability to compete.

1.2 THE AUTHORITY'S RESPONSE TO TELECOM NAMIBIA LIMITED'S COMMENTS

- (i) The Authority is in agreement with the proposal that the termination rate for both fixed and mobile telephony should be reduced.
- (ii) The termination rate reduction will be limited to all national originating calls and SMS.
- (iii) The review of the retail price cap is a different process that requires consultations with stakeholders and rule making procedures. It further may not yield the result that Telecom Namibia is hoping for.
- (iv) The decision to set the off-net and on-net termination rate equal was not a decision taken by the Authority but by the High Court of Namibia. The Authority's predecessor, NCC was challenged by MTC, on a ruling that all licensees shall implement a price cap for off-net call prices and call prices to fixed-lines to the level of their on-net prices.
- Off-net prices and prices for calls for fixed-lines may no longer exceed those of on-net calls for each product or service. This applies for voice and text messages. The ruling was taken on review in the High Court of Namibia and the High Court supported the Commission's decision and accordingly dismissed the application.
- (vi) The Authority also is of the opinion that it is prudent to keep the on-net af-net rate equal in view of the number portability that would be implemented on 1 April 2017.

2. CONSULTATIVE MEETINGS

The Authority had a meeting on 11 June 2015 with Mobile Telecommunications Limited and Telecom Namibia Limited to discuss the reduction of the call termination rates. At this meeting Telecom Namibia was not in favour of such a reduction mainly due to the differences in cost structure between fixed and mobile destinations.

On 4 August 2016 the Authority had another meeting with Mobile Telecommunications Limited, Paratus Telecommunications (Pty) Ltd and Telecom Namibia to discuss the MTR levels. At this meeting it was agreed that the termination rates would be adjusted downward with as from 1 October 2016. This should assist TN Mobile and Paratus Telecom to become more competitive.

3. **DECISION**

The Authority herewith approves the following Termination rates for all operators effective from the date of publication.

Mobile termination rate (MTR)	N\$ 0.10
Fixed termination rate (FTR)	N\$ 0.10; and
SMS termination	N\$ 0.01

F. KISHI CHAIRPERSON OF THE BOARD OF DIRECTORS COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

No. 402

NOTICE IN TERMS OF THE REGULATIONS REGARDING LICENSING PROCEDURES FOR TELECOMMUNICATIONS AND BROADCASTING SERVICE LICENCES AND SPECTRUM USE LICENCES

The Communications Regulatory Authority of Namibia, in terms of regulation 9 of the "Regulations Regarding Licensing Procedures for Telecommunications and Broadcasting Service Licences and Spectrum Use Licences", in Government Gazette No. 4785, General Notice No. 272 dated 29 August 2011, herewith gives notice that the persons referred to in the table below, submitted application for renewal of the Broadcasting Service Licences to the Authority:

Applicants Name;	Applicant's citizenship or place of incorpora- tion;	Percentage of Stock owned by Namib- ian Citizens or Namibian Companies Controlled by Namibian Citizens;	Category of Broad- casting Service Licence as con- templated in the Regulations Setting out Broadcasting and Telecommunica- tions Service Licence Categories;	Provision of signal distribu- tion;	Breach of Licence;	Proof of Application fees paid up to date submitted?
Katutura Com- munity Radio t/a Base FM – FM Sound Broadcasting	Namibian	100%	Community Broad- casting Service	Own	No breach or alleged breach recorded	Yes

The public may submit comments in writing to the Authority within a period of fourteen (14) days from the date of publication of this notice in the Government Gazette.

The applicant may submit written reply comments within fourteen (14) days from the due date of the written public comments.

All written submissions must contain the name and contact details of the person making the written submissions and the name and contact details of the person for whom the written submission is made, fi different and be clear and concise.

All written submissions and reply comments must be made either physically or electronically -

- (1) By hand to the head offices of the Authority, namely Communication House, 56 Robert Mugabe Avenue, Windhoek;
- (2) By post to the head offices of the Authority, namely Private Bag 13309, Windhoek 9000;
- (3) By electronic mail to the following address: legal@cran.na;
- (4) By facsimile to the following facsimile number: +264 61 222790; or
- (5) By fax to e-mail to: 088642748.

F. KISHI CHAIRPERSON OF THE BOARD OF DIRECTORS COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA

2016