

# Cell C not happy with minimum spectrum price

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Cell C has raised concerns about the telecommunications regulator's decision to set the minimum bidding price of spectrum licence at R3bn, saying that the four spectrum lots were not equally valuable.



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On Friday, the Independent Communications Authority of SA (Icasa) invited companies to apply for spectrum licenses, in a move that will accelerate the roll-out of super-fast 4G wireless network. This will result in faster downloads of video, among other effects.

The regulator will auction the spectrum within the 700MHz, 800MHz and 2600MHz bands. Icasa said the R3bn starting price was in line with international benchmarks. However, Cell C's chief legal officer, Graham Mackinnon, said on Monday the "reserve price for the spectrum lots appears high, especially as the spectrum lots are not equally valuable".

## A reasonable approach

Africa Analysis MD Dobek Pater said while the reserve price was "fair", at this level "it will effectively preclude most of the small licence holders in the market from bidding, unless they can demonstrate that they have access to the requisite funding or they can form consortia with bidders outside of the large telcos." Pater said an auction was probably the most reasonable approach to spectrum allocation, as it would attract the large operators, who were most competent in deploying and managing national mobile networks.

Mackinnon has also raised concerns that Icasa had issued an invitation to apply (ITA) for spectrum licenses without a "clear policy directive" from the government. "We know for a fact that the Department of Telecommunications and Postal Services is in the process of finalising its policy in this regard, and so issuing the ITA before this is finalised, may create unnecessary tension," Mackinnon said. He said the process needed to be conducted with the buy-in of all stakeholders, as spectrum was a national resource.

*Source: Business Day*

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