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**OPENING REMARKS BY MR. STANLEY SHANAPINDA, CHIEF EXECUTIVE
OFFICER OF THE COMMUNICATIONS REGULATORY AUTHORITY OF NAMIBIA
(CRAN) AT THE PUBLIC HEARING ON TELECOMMUNICATIONS AND
BROADCASTING SERVICE LICENSE AND APPLICATION FEES.**

28 AUGUST 2012

Distinguished Participants and Stakeholders

CRAN Colleagues

Members of the Media

Ladies and Gentlemen

It gives me great pleasure to welcome all of you this morning and chair CRAN's Public Hearing on Telecommunications and Broadcasting Service License fees in terms of Regulation 7 of the "Regulations Regarding Rule-Making procedures" Notice No.334 of 17 December 2010 and the Regulations on Hearings published in Notice 148 of 11 June 2012, approved by the Board 14 August 2012 and to be published in September.

We are here this morning to allow you as stakeholders to share your views relating to the regulations and rules around Telecommunications and Broadcasting license fees and annual levies. You will recall that we published these regulations in 2011 and allowed for public comments. We are now allowing for further oral comments to be submitted today. We have considered the written comments and together with the oral

submissions today, will make final recommendations to the Board for the final regulations to be made and published in the government gazette.

We considered comments mainly from broadcasters ranging from the percentage levy being too high and that it needs to be linked to the costs of CRAN's administration and overall budget. We can assure you that we have made every effort to link the fees to our budget, which budget is submitted to MICT for approval. Accountability is one of the tenets of CRAN and as such CRAN abides by the principles of corporate governance and prudent financial management, for which accountability is enforced in terms of annual audits and the submission of our annual financial statement. As you are aware, CRAN is still in its infancy and has to put the necessary regulatory measures in place to ensure adequate regulation of the sector. As such the necessary studies need to be commissioned for various regulations, spectrum management and QoS tools need to be acquired and various organizational requirements need to be addressed. The fees have also been benchmarked within the region and represent amongst the lowest of fees to ensure market access. The fees proposed are thus in line with the above principles and may be reviewed on a regular basis to ensure its relevance. The fees amount to an average reduction in terms of what was previously charged and streamlines the rates charged for all types of licensees. The single biggest principle embedded in the rates is that it is linked to the development in the sector. As the sector grows the figures will show and vice versa. This allows us to keep our pulse on the sector and to make the necessary interventions.

Similarly to us, the Communications Act requires of all licensees to submit their audited annual financial statements and we thank those persons that made the necessary submissions. For those that have not done so yet, please be kindly reminded in this regard. This process is necessary to duly consider the comments that have been submitted by yourselves in this regard.

It is CRAN's mandate to develop and regulate Namibia's increasingly complex and competitive ICT market. Through this mandate CRAN enforces fair competition through the Act and/or license conditions; yet we cannot do so in isolation and this hearing is

testimony of our commitment for a participatory process with all concerned stakeholders.

In an economy where the only certainty is uncertainty, the one sure source of lasting competitive advantage is knowledge. When markets shift, technologies proliferate, competitors multiply, and products become obsolete almost overnight, successful organisations are those that consistently create new knowledge, disseminate it widely, throughout the industry, and quickly embody it in new technologies, products and services. These activities define 'knowledge creation' which sole business is continuous innovation. CRAN aspires to be innovative in its approach to decision making.

It is against this background, Ladies and Gentlemen, that I wish to encourage honest, interactive discussions among participants present during this session, as these discussions will form the core of our decision-making; which should result in innovative regulation that is inclusive of the wants and requirements of all the players at all levels in the industry.

At the same time, we acknowledge that a fair playing field is impossible without fair market access to all and it is critical that this access through licensing and application fees be properly examined and deliberated upon in order to achieve the appropriate level of equality for every kind of entity in the industry.

Please allow me to notify you of a few important matters that we are working on, that are likely to be publicised within the last two quarters of this year. The dominant hearing held in May is set to continue and a new hearing date will be communicated soon. This will be followed by the hearing on the national band plan, as we have finalized the transitional process in respect of spectrum and the final list of spectrum licences to be converted from the NCC to CRAN licences will be published in the gazette during the month of September. This publication will be followed by a licence award ceremony, where we will award the spectrum licences as well as the converted licences issued since March. Consultancy services will be engaged soon to conduct a study in respect of the national numbering plan and number portability, as well as cost accounting procedures. These latter two studies will result in possible regulations to be published in

May 2013. We are in the process of conducting an investigation into wholesale pricing and the costs for sharing infrastructure. The necessary regulatory interventions will be recommended in this regard and the industry will be consulted in this regard as well. These interventions are likely to include the publication of draft access regulations regarding the sharing of infrastructure, regulations dealing with complaints between operators and resolving same and recommendations stemming from the investigations underway.

The standard terms and conditions for telecommunications and broadcasting service licences have been completed and will be published in September. The standard terms and conditions for spectrum use licences are to follow suit, as well as the individual licences for Telecom Namibia Limited and the Namibian Broadcasting Corporation.

The Universal Service Policy has been approved by Cabinet and as soon as the policy guidelines are published in the gazette we will start to finalise our draft UAS (Universal Access and Service) regulations for public comment. This process will be simultaneous with the process of commencing Part 4 of the Communications Act dealing with UAS. We are considering proposing possible amendments to the Minister in this regard to address convergence as necessitated by technological advancements.

The DTT process has necessitated us to re-consider our licence categories and possible amendments will be proposed requesting for your comments in this regard. The DTT channeling plan will be issued for public comment in this month of September.

We have completed our strategic plan, which will be shared with the stakeholders in the coming months. CRAN will publish its annual report soon.

We would like to invite all stakeholders to the ICT Stakeholders Forum to be held tomorrow at 09:00 at the NamPower Convention Centre where we will discuss business usage of ICT and how same can be stimulated. CRAN has been requested by the Ministry to make the presentation we made to cabinet in this regard to the industry as well. We trust you did receive the invitation from the Ministry of ICT and completed the survey, which is part of the access gap analysis for businesses. Thank you also for

accepting to complete the survey that we forwarded to you regarding the ICT statistics for Namibia, as this area has been neglected for a while and we need to keep it updated as part of our access gap analysis and for the purposes of the ITU.

Lastly, CRAN looks forward to continuing the dialogue with all stakeholders as we strive to ensure that regulations effectively aid us in delivering the task at hand. And with that, I now open this morning's hearing on how best to protect and entrench fairness in the Namibian ICT industry by means of licence fees and annual tariffs that ensures fair market access so that licence fees do not become a barrier of entry but allows for new innovative entrants aiding in bridging the digital divide.

I thank you.

- Ends -