

CALL FOR INCLUSIVE DIGITAL TELEVISION AND FREE SET-TOP BOXES

ISSUED BY THE RIGHT2KNOW CAMPAIGN AND SOS COALITION

15 October 2014



**FREE OUR AIRWAVES!
KEEP “FREE-TO-AIR”
TELEVISION FREE**

1. INTRODUCTION: NO TO BROADCASTING INEQUALITY!

The transition to digital terrestrial television (DTT) has the potential to impact the country and people’s basic communications rights advantageously in a number of ways, which include:

- The fostering of a more diverse media landscape, enhanced by greater choice in free-to-air television content in the form of new and incentive channels, new entrants and greater possibilities for community broadcasters;
- The promotion of universal communications services to all after the release of spectrum resulting in the digital dividend;
- Serving to enhance the people’s capacity to receive and impart information and ideas, thus enhancing their freedom of expression as stipulated in the Constitution (chap 2, sec 16, 1b).

However, the manner in which the digital migration process has been managed, by the government in South Africa, thus far does not serve to maximise the benefits and minimise the disadvantages of DTT. We are cognisant that the DTT project is linked to alleviating social needs and inequalities in our country, and call on all relevant stakeholders, including the government, to pursue these objectives.

The migration to digital television must be inclusive and contribute to transforming the South African communication system, enabling marginalised voices and ensuring greater access to broadband for all.

We fear the prospect of free-to-air TV becoming a ‘poor-person’s-television’ on DTT, thus resulting in a broadcasting inequality where the vast majority of the poor, who are predominantly Black, are left only with poor quality services. We note that private satellite television broadcasters – dominated by the monopolistic Naspers/Multichoice - have already signed up nearly 50% of television households and in recent years introduced a number of lower-cost subscription packages. During the dual illumination and post digital migration they are likely to offer more substantial content offerings than free-to-air DTT.

Depending on the eventual cost to the consumer of the set-top box device, together with the SABC television licence fee, and the DTT installation fee, many people are likely to opt for what could be similar-in-cost or even cheaper satellite subscription options

from private broadcasters, instead of free-to-air DTT. This could seriously undermine the success of the DTT project. There is a serious risk that all but the most poor will be captured by private subscription TV.

The uptake of the free-to-air set-top box device, which is crucial to the success of DTT, is in this environment likely to be restricted to only the poor, including those who apply for subsidised set-top boxes. Should the free-to-air DTT content offering be of a low quality, not offer substantial diversity, exclude a variety of (incentive) channels, and locally produced content, then it stands to become a 'poor-person's-television' service thus further entrenching already acute communication inequalities.

2. FREE SET-TOP BOXES FOR ALL: KEEP 'FREE-TO-AIR' TELEVISION FREE!

The end-user cost of digital migration is critical to the future of free-to-air television. Currently it is unlikely that widespread uptake of the free-to-air DTT set-top box will take place, thus jeopardising the success of digital migration.

Although the Universal Service and Access Agency of South Africa (USAASA) proposed to Parliament that a total of 5.2 million households will be subsidised the cost of the set-top box device (with households earning under R1500 pm being subsidised the total cost, and those earning up to R3200 pm 70% of the total cost), we believe that set-top boxes should be made available, free of charge, to all who want them.

Everyone must have the option of getting a free set-top box!

The 2011 Census data found that the average household income in South Africa is R8600, with the average Black household at a significantly lower R 5051 per month.¹ This would mean that these households would be required to pay close to 14% of a month's income in order to access free-to-air TV. We believe that this is unacceptable and will only lead to these already cash-strapped households being forced to choose between their survival in that month, taking on even further debt or being switched off from a critical source of information – television.

Government's USAASA has indicated that in order to qualify for a subsidised set-top box, persons will need to prove that they are poor through the submission of various documents – which is an affront on a person's dignity. In the past USAASA has stated before Parliament that documents required will include an Identity Document (which many people in South Africa do not have), a television licence, bank statements (many poor persons do not have a bank account) and a letter from an employer (which excludes the unemployed and does not take into account the embarrassment of asking one's employer for such a letter). It will also be difficult for the illiterate to compile these documents. An application programme for subsidised set-top boxes, however well intentioned, cannot be administered in a manner, which is sensitive to the inequalities that exist in our country or in a manner that respects human dignity.

Other countries that have performed digital migration before us have subsidised the set-top box for citizens without subjecting people to an application process or a means test. The scrapping of the application process in favour of a blanket subsidisation is not an outlandish notion since it has already happened elsewhere. The Department of Telecommunication and Postal Services (DTPS) and the Department of Communications must initiate research into more effective mechanisms for the subsidisation of the set-top box in an effort to determine how this could best be implemented in South Africa². The subsidisation of the set-top box must be of as little inconvenience and cost to the user as possible, and must especially not amount to an affront on dignity, for the widespread uptake of the set-top box to be a success.

The administration of the applications process to receive a subsidised set-top box device is likely to generate higher costs (further spending of public funds) and further delay the transition to DTT because many people will be subjected to the bureaucracy of an applications process.

Of great concern, Naspers/Multichoice has already set in motion packages that stand to capture much of the audience, which would have been able to afford the set-top box device. The only persons who are therefore likely to require free-to-air set-top boxes are people who would not have been able to pay for them (with minimal exceptions). The monies allocated to the administration of the subsidy scheme (and perhaps other aspects of the DTT project) could be better spent on subsidising 100% of the set-top box. Free-to-air television must remain free and available to all! Monthly subscription fees paid by consumers to satellite pay television

¹<http://mg.co.za/article/2012-10-30-00-sa-fuller-richer-older-wiser-and-better-served>

² For example in Thailand the rollout was conducted through a voucher/coupon system.

broadcasters also pose a danger because consumers are switched off when they fail to pay the subscription fees and thus may not have access to television.

The set-top box (STB) must be interoperable

The set-top box must be interoperable so people can switch between service providers without having to purchase new hardware. Only this will break the stranglehold that the dominant commercial subscription broadcaster Naspers/Multichoice has on TV.

Interoperability is critical in order to ensure that there is healthy competition in the broadcasting industry. Interoperability enables people to buy a single decoder and access multiple services from multiple broadcasters. If this is not the case then the incumbent broadcasters will capture the market through locking in viewers who will have made the initial decoder purchase. These viewers will have to purchase additional decoders to access other broadcasters, which will be both costly and inconvenient. Hence the lack of interoperability of decoders will give incumbent broadcasters a huge and unfair advantage. As noted above, private satellite television broadcasters have already introduced a number of lower-cost subscription packages, which are likely to offer more substantial content offerings than free-to-air DTT. Should the DTT set-top box be interoperable, such subscribers could then also access free-to-air DTT services. We believe that this added functionality will make the box more desirable and will thus assist with the uptake of STBs. This is critical for the success of the digital migration process.

Justify the local manufacture of STBs

We note that in recent years the DoC issued calls to tender for the manufacturing of the set-top box, which were later recalled. Unconfirmed reports state that this tender has already been awarded, but the public has not been informed of the recipient of the tender. The tender process has appeared ad hoc and chaotic. We demand clarity on this tender process, and that it be conducted in a transparent manner. Our demands regarding the set-top box contained herein, including that it be distributed free of charge and contain certain specifications, must be taken into account when awarding the tender for manufacturing. Additionally, considering that the set-top box must be distributed for free, the DoC and/or DTSPS must investigate the cost-effectiveness, with regard to public funds, of importing the set-top box rather than manufacturing and/or assembling the device locally.

Various government communications and ministers have claimed that the local manufacture of the set-top box will serve to boost the South African electronics manufacturing industry, create jobs and is in-keeping with the National Development Plan. Whilst we are cognisant of the need to create jobs in our country, we fear that the manufacturing/assembly of the set-top box locally will not necessarily have the benefit, to the country and economy, which is touted by government. If government wishes to maintain this position as justification for the local manufacture of the set-top box, then we demand a realistic projection of these supposed benefits to be published by the DoC and/or DTSPS immediately. Also, if the various threats to the success of DTT in South Africa mentioned herein are not addressed, then the supposed boost to the manufacturing industry envisaged by government will not be realised.

4. HIGH QUALITY AND ORIGINAL LOCALLY PRODUCED CONTENT FOR FREE-TO-AIR TELEVISION

International experience has shown that the content offering of free-to-air digital TV is critical to the success of migration. It is precisely the opportunity to offer a diverse range of high quality content – including original locally produced content that gives expression to marginalised voices – that will incentivise people to choose digital free-to-air television.

The SABC is the public service broadcaster and operates with a mandate to act as such. We find it unacceptable that although the SABC produces a 24-hour news channel, the majority of people do not have access to it, since it is transmitted only via subscription satellite services. All people in South Africa ought to have access to a 24-hour news television channel, which is key to providing information about their communities, the country and the world. We demand that the SABC 24-hour news channel be broadcast on the national free-to-air platform, both now and post digital migration via DTT.

Similarly, it is unacceptable that only those with satellite subscription television are able to watch the parliamentary channel, which must also be broadcast free-to-air. Parliament serves the people and should be open to all of the people (not only the rich) in whatever ways possible.

3. SUFFICIENT SPECTRUM ALLOCATION FOR COMMUNITY TELEVISION AND NEW ENTRANTS

In the interest of fostering a diverse media landscape, the post digital terrestrial television migration environment must be one that is enabling to new entrants and community television broadcasters, instead of being one that is dominated and monopolised by the SABC and private broadcasting corporations.

Although South Africa has adopted a three-tier broadcasting model, the community media sector is largely under-supported, whilst the public broadcaster (SABC) and private broadcasters enjoy an advantage in this regard. DTT must serve to address this imbalance.

South African already has six of Community TV stations broadcasting diverse content in cities around the country. These stations should broadcast nationally in the digital era. They are already contributing to a diversity of content and amplifying voices and enhance social cohesion by offering people elsewhere in the country insight into local issues and perspectives.

We note that in its draft policy documents for DTT in the past, ICASA has allocated a dismally small amount of digital TV spectrum to new entrants and community broadcasters. All people in South Africa must have access to a variety of current and future community television broadcasters. Sufficient spectrum must be kept aside so that new entrants can enter the digital space in future.

We also call on ICASA to allow newly licensed and soon to be licensed broadcasters to launch their offerings during the dual-illumination period to ensure that the people of South Africa have access to new and diverse broadcasting services as well as to promote the speedy and successful adoption of DTT by end-users.

4. THE DIGITAL DIVIDEND MUST BE USED TO CLOSE THE DIGITAL DIVIDE

The migration from analogue to digital TV will free up considerable spectrum that will be used to offer broadband access. The spectrum is a valuable national resource and should not be handed over to the profiteering telecoms companies that currently dominate our telecommunications system and exploit their dominance to maximise profits.

This national asset, which rightly belongs to the people of South Africa, must be utilised to advance the communication rights of all who live in our country and to provide universal communication service to everyone.

In 2012 the Minister of Communications announced that subsidised set-top boxes to be distributed to low-income citizens would have a "return path" enabling basic Internet access. We also note with great concern that the issue of Internet access has not come up in recent government utterances.

Although rival corporations are still making conflicting demands over details of the set-top box, we note that the South African Bureau of Standards has established technical specifications which it presents for download at a price of R385.00. We believe that this conflicts with the right of citizens to monitor the actions of government. We demand that the price be removed immediately.

While we reserve final comment until that happens, as preliminary requirements we suggest the following functionality be included:

- The set-top box must remain useful even when users eventually upgrade to digital TV, digital-to-analogue conversion being only one of its functions;
- The set-top box must use free/open-source software to give users the right to modify it, the assurance that no surveillance is taking place and that the user's privacy is protected;
- The set-top box must have sufficient connection ports to become part of a low-cost Internet access point (e.g. for USB keyboards, dongles, a mouse etc.). In an era of convergence it is concerning that government still manages broadcasting and telecommunications regulation in silos. While this document is concerned predominantly with broadcasting concerns, we call that government recognises the opportunity for the DTT project to advance Internet penetration by including a return-path in the set-top box, thus replacing a 'dumb box' with a smart box. While the transition to DTT is among the largest national projects ever undertaken by South Africa, the opportunity to expand Internet access to more people should not be missed.

5. FAIR AND TRANSPARENT PROCESS: THE GOVERNMENT MUST INITIATE AN EFFECTIVE AND POPULAR EDUCATION DRIVE AND A MEANINGFUL PUBLIC ENGAGEMENT PROCESS

To date the DoC and/or the DTSPS has issued sporadic and sparse information to the public on digital terrestrial television migration and DTT. The 'Go Digital' advertising campaign, initiated by the DoC in 2012 was ineffective in reaching the majority of South Africans, especially the poor, and it was not sustained. Furthermore, the campaign's weakness and lack of relevance for citizens and consumers is the obvious absence of STBs in the market. Resultantly, few South Africans in rural areas, in poorer communities and at grassroots level are aware of this enormous national project or how it will impact on their lives. While there has been much debate within the mainstream media about DTT, this media is mainly accessed by the urban middle-classes, many of whom already have access to satellite television subscription services, and therefore to whom the DTT process holds fewer implications. DTT awareness within poor communities remains low. Considering the size and impact of the DTT project, it is concerning that the sector of the people on which it will have the largest impact, are so poorly informed about it.

We also note with concern, when assessing government issued communications on DTT, as well as when engaging with our members from community organisations, that there exists a great deal of misinformation surrounding DTT. We call on the DoC and the DTSPS to address such instances of misinformation and desist from disseminating additional inaccuracies.

This includes the following:

- Many people are under the impression that the set-top box device will be available free of charge – while we believe that this should be the case, this has not yet been established as a certainty. As outlined above, we demand that the DTT set-top box must be 100% subsidised for all, and this must be effectively communicated to the people;
- Government issued communications have stated that an advantage of DTT is that it will result in High Definition (HD) television viewing. This creates a mistaken impression. While broadcasters may transmit HD signals via a DTT system, viewers will not experience a HD picture unless they have purchased an HD enabled television, which is unaffordable to many.

We demand that the DoC and the DTSPS must initiate an effective and meaningful process of nation-wide public engagement, in both urban and rural areas, to inform the people about the DTT project, ascertain their views on DTT, and understand how this process will affect their lives.

All information relating to the cost of digital migration must be made publicly available.

To date the DoC and now DTSPS, which prior to May 2014 acted as the coordinating body for the DTT project, has not released a comprehensive summary of what the transition to DTT will cost and how much public funding has and will be spent on it. We call for a detailed breakdown of all public funds spent to date, as well as a projection for future public monies still to be spent, to be made publicly available immediately.

These must include:

- Total infrastructure costs;
- Total subsidy costs;
- Projections of future costs until the conclusion of the migration; and
- Communication costs to-date.

We note that a tender for DTT-related publicity of R756 million has allegedly been contracted and partly disbursed prior to provision of services; also that there seems to be a non-disclosure agreement between the former DoC and the contractor involved. We demand immediate and total transparency in this matter.

We have a right to know what this project is costing our country.

6. IN CONCLUSION

The migration from analogue to digital TV holds the opportunity to dramatically increase the quality and quantity of television available to meet the information and expression needs of people in South Africa. However, a failed migration will see the virtual privatisation of television by Naspers/Multichoice and the exclusion of people that cannot pay for TV.

A key driver of the success of digital migration, as has been revealed in various other countries, is the widespread uptake by a large number of users of the free-to-air DTT set-top box. Given the competition generated by subscription satellite broadcasters detailed above, it is the best interest of the DTT project to provide the set-top box **free of charge** to all who need/want it, if the DTT project is to see success and be of optimal benefit to the majority.

We await responses from the Department of Telecommunications and Postal Services, The Department of Communications, Universal Services and Access Agency of South Africa, Independent Communications Authority of South Africa and the South African Bureau of Standards.

See also the Right2Know Campaign's [position paper](#) on media freedom and diversity, and the right to communicate.

See the SOS Coalition's [online petition](#) for free set-top boxes for all.