

TECHNOLOGY & YOU

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General Surprise

He's been in the job for only two months, yet new communications minister Siphwe Nyanda is already making his presence felt. He's putting pressure on the mobile operators to reduce rates, he's moving quickly to fix the SABC, and he's championing digital TV.

When General Siphwe Nyanda, 59, the former chief of the defence force, was named as communications minister by President Jacob Zuma, it took almost everyone in the technology sector by surprise. This prompted one clever wag to call Nyanda "General Surprise".

But the nickname has become even more apt since his appointment. Unlike his predecessor, the late Ivy Matsepe-Casaburri, Nyanda is getting stuff done. And quickly, too. For an industry accustomed to a feckless communications ministry and department, this has come as a pleasant surprise.

It's still early days, but telecommunications executives I've spoken to in recent weeks have begun expressing cautious optimism that SA may finally have in Nyanda a communications minister who is going to solve some of the industry's most long-standing problems.

Nyanda has a lot on his plate. Upon his appointment, he immediately had to roll up his sleeves and begin tackling the crisis at the SABC. It's too soon to know if Nyanda, who started his career as a sports reporter, will do what's necessary to ensure the public broadcaster is able to restore its shattered editorial integrity, but at least he's moved quickly to try to put an end to the financial bloodletting.

With the crisis unfolding at the SABC, one might have expected Nyanda to have had little or no time to deal with the other big aspect of his portfolio: telecoms. Yet, it appears he is already doing quite a bit behind the scenes.

Vodacom Group CEO Pieter Uys conceded in a conference call last week that Nyanda had been applying pressure on the mobile operators to reduce wholesale call termination rates. These are the fees the operators charge one another to carry each other's calls on their networks. Termination rates — set at R1,25/minute during peak times — have been blamed for keeping call rates artificially high.

Nyanda is right to put pressure on the operators to reduce these prices. MTN and Vodacom have used termination rates as a blunt tool to keep competition out of the market. The sooner the rates start coming down the better for consumers and competition. Though regulation is ultimately needed, there's nothing wrong with political pressure being applied while the Independent Communications Authority of SA (Icasa) works through the complex and lengthy process involved in regulating these rates.

When it comes to SA's migration to digital terrestrial television (DTT), Nyanda is also making the right moves. He's finally tapping into the long-neglected Universal Service & Access Fund — a fund into which telecom licensees are required to make regulator contributions — to subsidise the purchase of set-top boxes. And, despite concerns from industry that the November 2011 switch-off date for analogue broadcasts is not achievable, Nyanda insists that must remain the target.

It's the right approach. Once SA completes the switchover, it will free up valuable radio frequency spectrum for broadband services. The sooner it's not needed for TV, the better.

Perhaps Nyanda could also empower Icasa to take away the valuable spectrum that Sentech is hogging. The state-owned broadcast signal distributor has valuable spectrum needed for providing broadband services using a new technology known as WiMax. But it has proved it is incapable of running a telecom business. It must forfeit the spectrum.

So, it's been a good start for Nyanda. Whereas his predecessor interfered needlessly in the sector, creating poorly thought through schemes to try to broaden access to telecom services, Nyanda is proving to be more practical. He's put nary a foot wrong so far. Let's hope it stays that way. ■ www.fmtech.co.za



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