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**MINISTRY: COMMUNICATIONS
REPUBLIC OF SOUTH AFRICA**

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23 August 2013

Mr Imtiaz Patel
Chief Executive Officer
Multichoice
PO Box 1502
Randburg
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Dear Mr Patel

Set Top Boxes Round table 10 September, 10:00, Johannesburg

As you are aware, the government sees the digital migration process of the broadcasting services as critical in meeting a number of the country's socio-economic needs. The digital migration process is, as you know, seen as leading to a "digital dividend" that will enable the country to transform our communications environment to enable faster and cheaper broadband services among other benefits.

There have been many delays in the digital migration process, and the Ministry of Communications accepts our fair share of responsibility for the delays. But we have to move on. We simply cannot afford any further delays! It's just not in the country's interest.

Government is ready to move fast. But we cannot take significant steps forward because of the differences among key stakeholders on the Set Top Boxes (STBs), particularly whether they should have a control capability or not. To try to secure a degree of consensus on the matter round table discussions will be held on the above date. You are invited to send two representatives to participate in the discussions. You will be notified of the venue shortly.

Enclosed is an outline of the process envisaged. Kindly respond to this document as soon as possible. You can contact me through Siphokazis@doc.gov.za, Claude@doc.gov.za, Craig@doc.gov.za and Xolisa@doc.gov.za or 012-4278000.



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We look forward to seeing you on the 10th and convey good wishes.

Yours sincerely,



Yunus Carrim MP
Minister of Communications



Set Top Box Engagements Process

1. Purpose of the document

The purpose of this document is to provide an outline of the process to bring parties together for a facilitated discussion to seek consensus on the Set Top Box issues.

2. Engaging Parties

The following organisations have been identified as participants in the process due to the position they occupy in the broadcasting industry. It is important to note that participation is confined to broadcasting industry players so as to address those with the primary interest in the matter. These would include:

2.1 Government

It is the responsibility of Government to ensure that national policies and legislation are carried out. Government is ultimately accountable.

2.2 South African Broadcasting Corporation

The public broadcaster is responsible for ensuring the availability of free-to-air public service channels.

2.3 eTV

eTV is a private licensed free-to-air broadcaster.

2.4 Multichoice

Largest Pay TV operator which also controls M-net that is licensed to provide Pay TV on DTT

2.5 Community TV

Community Television Channels are licensed as free-to-air channels and will provide free-to-air channels on DTT.

2.6 Sentech

Sentech is a common carrier that distributes broadcasting signals for the broadcasters. Sentech has already been identified by the broadcasters as a possible service provider in managing the STBs.



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2.7 TopTV

TopTV is a private licensed free-to-air broadcaster.

2.8 Should ICASA be invited?

ICASA is responsible for the regulation of the sector in the public interest. Should any regulatory responsibility arise, ICASA would be responsible for it. Is it appropriate to invite ICASA?

There are other players who might have a view but who have a secondary relationship with audiences and households in which the set-top-boxes will be deployed. Production Houses, Producers, Advertisers and Set Top Box manufacturers fall within this category.

3. Format

3.1 Facilitated Discussion

The discussions will be held on 10 September from 10:00 for as long as is necessary and will be facilitated by a moderator whose principal task is to help find consensus that will enable forward movement. The moderator will be appointed by government following consultation with the participants. Each party is free to suggest at least 2 names of a potential facilitator who can act independently and is capable of winning the trust of all parties involved. The names must be submitted before close of business on 26 August 2013.

3.2 Agenda Setting

Each party will nominate 1 person to a meeting that will formulate the agenda of the discussions. The agenda-setting meeting will be held as soon as possible and deliberate and finalise on what are core and critical areas that need to be addressed from each party, collate these and draft an agenda for the meeting. Each party will be required to draw up a document setting out its position for distribution to the other parties so as to prepare for the meeting. The parties undertake to recognize this as a confidential process and will undertake not to communicate its content with anyone who is not part of the discussion until a final outcome is communicated by the government together with the facilitator of the discussion.

3.3 Discussion

The facilitator will chair the sessions and will ensure that all parties are given an opportunity to state their heads of arguments at the beginning of the discussions. The facilitator will then draw up a list of common and divergent perspectives. The divergent perspectives will be narrowed down through detailed discussion leading to a consensus on the issues and the processes that could be undertaken



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to reinforce trust amongst the parties. Decision will be by consensus so as to give all parties equality in the discussion.

In the event that parties cannot arrive at a consensus, the participating parties accept that government will take a final decision in line with the government mandate to ensure implementation of policies.

3.4 Outcomes

The discussions are aimed at achieving a national consensus on the set top box issues in order to ensure an early roll-out of the DTT services. Parties are mindful that the proposed 1 November 2013 launch deadline is fast approaching so requiring decisions on all matters that have stalled the DTT process.

Parties bind themselves to the outcomes and commit to do everything in their power to uphold and respect the outcomes.



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