

MTN (Pty) Ltd.

PRE-APPLICATION MEETING WITH COMPETENT AUTHORITY WITH REGARDS TO THE PROPOSED LANDING OF THE ACE CABLE SYSTEM, WESTERN CAPE

7 June 2016

1. PROPOSED PROJECT

MTN (Pty) Ltd. (MTN) is proposing to install a submarine telecommunications cable, referred to as the ACE cable system, to link South Africa, West Coast of Africa and Europe with key international telecommunication hubs in Europe (Figure 1). As the designated Landing Partner of the ACE Cable System in South Africa, MTN aims to secure local landing permits to land the ACE Cable System and has the required licenses to operate this system in South Africa.

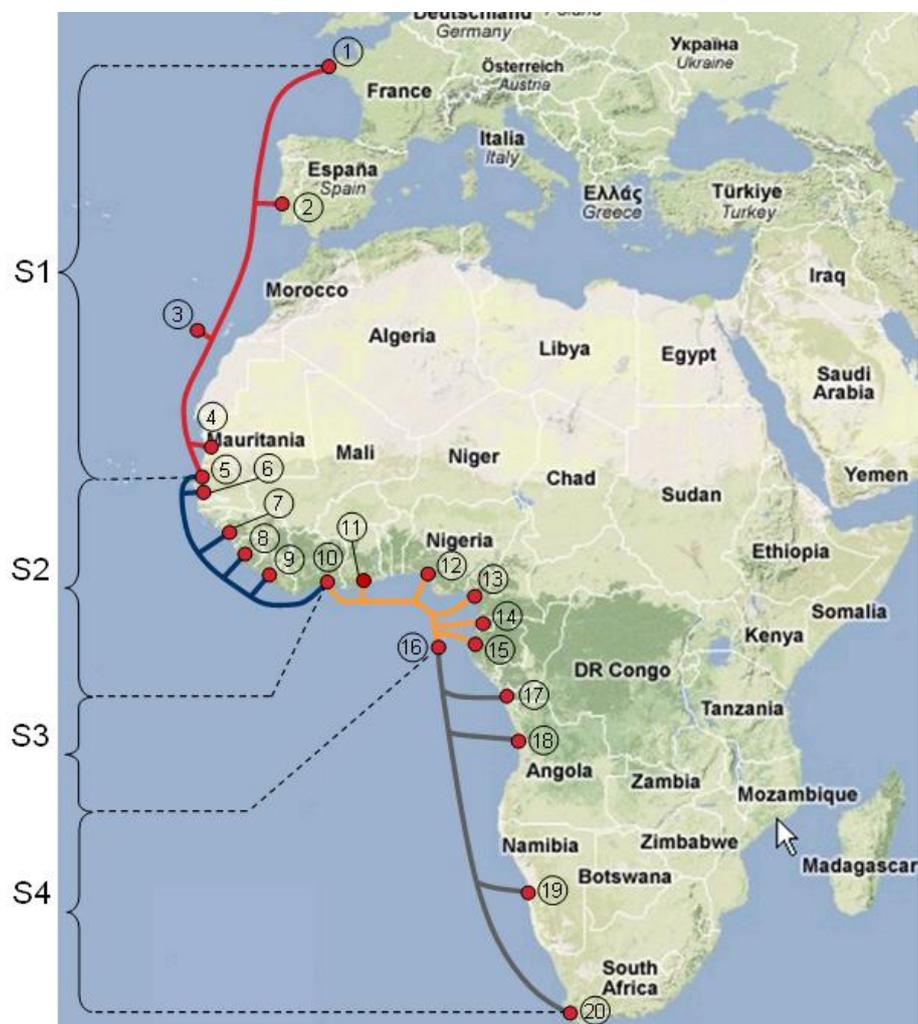


Figure 1: ACE Cable System linking South Africa to Europe

This document is intended to provide information about the project being undertaken for the proposed development of the ACE cable system landing in South Africa and provides the following:

1. A project overview.
2. An overview of the legislative context and a description of the manner in which the EIA will be undertaken.
3. A project programme.

2. PROJECT OVERVIEW

2.1 Purpose of the Proposed ACE Cable System

Submarine telecommunication cables are important for international telecommunication networks; they transport almost 100% of transoceanic internet traffic throughout the world (www.iscpc.org). It is widely recognized that access to affordable international bandwidth is key to economic development in every country.

Today, Africa relies primarily on satellites to provide its international communications. Communication via submarine telecommunication cables generally allows for lower cost, better performance, and greater capacity (throughput) than that available via satellite. Improvement in Africa's information technology infrastructure via telecommunication cables will remove one of the current key perceived inhibitors to development in Africa and support economic growth and opportunities on the continent.

Following installation of the proposed ACE cable system, MTN will become the alternative full service provider of international fibre-optic bandwidth apart from Telkom along the western coast of Africa. In doing so, the company will facilitate more affordable and effective transport of voice, data, internet and television services. Furthermore, the cable will support the objectives set out by New Partnership for Africa's Development (NEPAD), and provide a means of fulfilling SA Government's requirements in terms of digital television broadcasting for South Africa.

The proposed ACE cable system will have the broadband capacity of transmitting over 10 Terabytes per second, which is approximately twice more than the current capacity of the existing telecommunications systems within South Africa.

2.2 Cable Composition and Properties

At each landing country associated with the ACE cable system, the proposed fibre-optic cable will transit coastal waters and be brought on shore using industry-standard installation methodologies. Submarine cables, such as the one proposed for the ACE cable system, have an inner core structure that supports the glass fibres used to transport the communication signals via light. This cable core will be encased with steel-wire armour protection in areas where the risks of physical damage (e.g. anchors and/or trawler nets) are highest. The cable will not contain any insulating oil or other hazardous substances. The cable, including armouring, would resemble that of a garden hose with an approximate diameter of 35 mm (unarmoured, the cable diameter is approximately 25 mm). Figures 2 illustrate the typical composition of a marine telecommunications cable.

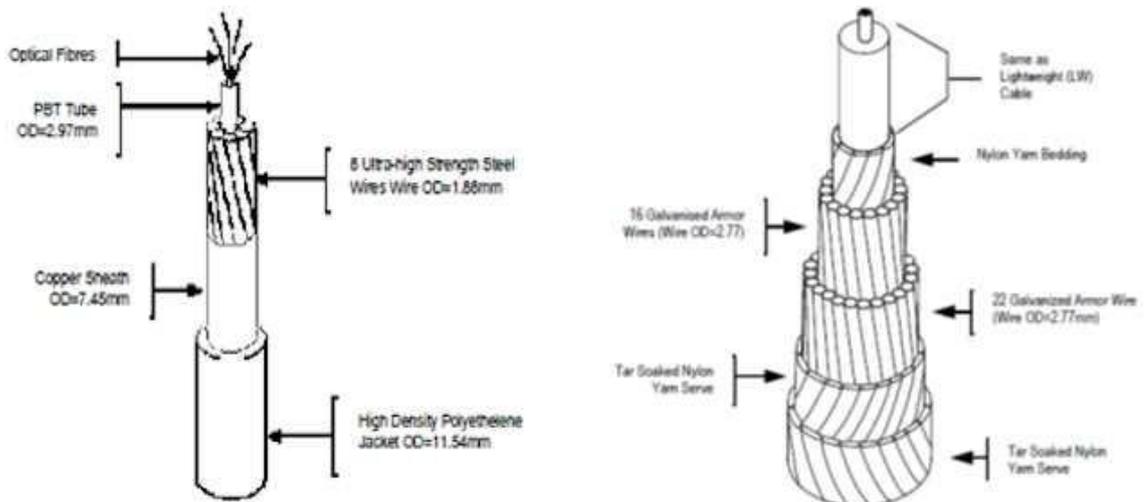


Figure 2: Schematic diagram of a typical telecommunications cable for deep (unarmoured cable) and shallow (armoured cable) water

3. SOUTH AFRICAN LANDING ALTERNATIVES

The general area proposed for the landing of the ACE cable system in South Africa is along the West Coast of South Africa. Initially two alternative landing locations were investigated, namely Yzerfontein and Melkbosstrand. These landing locations were selected following consideration of not only environmental issues, but also those associated with marine engineering (e.g. security of the route against external risks) and commercial aspects (e.g. proximity to national networks and their international access points). From the beach landing point the cable will be laid in a trench to Duynefontein (suburb located just inland from Melkbosstrand) where MTN has a Cable Landing Station.

3.1 Yzerfontein

The proposed ACE Cable System would land at Yzerfontein beach, which is backed by brush-covered sand dunes and protected wooded coastal range. Currently the West Africa Cable System (WACS) lands at this position on the Yzerfontein Beach. The proposed landing point and manhole location would largely be within this already disturbed servitude (i.e. to avoid removal of protected vegetation). Following an initial screening exercise the Yzerfontein alternative was rejected due to the following reasons:

- The small beach stretch at Yzerfontein is the only place the ACE cable system could land which is directly adjacent to the WACS. No other feasible landing sites exist in the Yzerfontein area.
- The ACE cable system would have to follow the same land route as WACS. ACE and WACS are both high capacity networks with no other network in the country to able to share the load of these networks should they fail.
- The common land route is considered to be a fatal flaw. Should both these cable systems be damaged it would be catastrophic for South Africa.
- The distance from Yzerfontein to the CLS site in Duynefontein is over 50 km away.

3.2 Melkbosstrand

The cable would land on the main beach at Melkbosstrand which is approximately 42 km North of Cape Town. The potential positive and negative aspects identified during the initial screening studies and associated activities, as undertaken by MTN and ACER, have identified Melkbosstrand as the preferred landing location for the ACE Cable System. As such, the EIA being undertaken by ACER will focus on the Melkbosstrand landing option. However, as per the NEMA EIA Regulations, alternative landing locations within Melkbosstrand will be assessed during the EIA process.

To date MTN and ACER have investigated four possible landing points for the ACE Cable System within the Melkbosstrand 5.6 km stretch of coastline. From these landing points two viable alternatives have been selected following a review of environmental, economic and social parameters.

4. AIMS OF THE EIA PROCESS

As part of the overall project planning process, this Environmental Impact Assessment aims to achieve the following:

- To provide an overall assessment of the social and biophysical environments of the area affected by the proposed ACE Cable System and associated infrastructure.
- To undertake a detailed assessment of the identified landing sites in terms of environmental criteria and the selection of a preferred alternative.
- To identify and recommend appropriate mitigation measures for potentially significant environmental impacts.
- To undertake a fully inclusive public participation process to ensure that I&AP issues and concerns are recorded.

4.1 Expected impacts and proposed Specialist Studies

The impacts associated with the landing of marine telecommunication systems are relatively well understood following the construction and commissioning of a number of these cable systems along South Africa's coastline. The following environmental issues have been identified for the current development of the ACE Cable System landing in the Western Cape:

- a) *Affect on marine seabed environments* Laying of the cable in deep marine waters, including the ploughing of the cable in shallower waters, could disturb and/or degrade sensitive marine environments off the Western Cape north coast.
- b) *Affect on marine biology and fisheries* The cable has the potential to cause disruption to marine biology and commercial and recreational fisheries (e.g. prawn trawling and ski-boat fishing) during its installation and operation.
- c) *Affect on terrestrial ecology* During construction, trenching of the cable may disturb or threaten the local fauna and flora within the terrestrial environment.
- d) *Cultural heritage* The proposed activity may impact on cultural heritage resources within the development footprint.
- e) *Disturbance to the beach and dunes* The beach and dunes may be disturbed during construction/installation activities.
- f) *Disturbance to beach visitors and residents during construction* The construction and laying of the cable is estimated to take three months to complete which could affect residents and visitors to the area during this period.

As required in terms of NEMA, the cumulative impacts of the project will also be considered.

In undertaking the Environmental Impact Assessment, ACER proposes to include the following Specialist studies to aid in the identification of impacts and mitigation measures associated with the landing of the ACE Cable System in South Africa:

- a) Vegetation assessment
- b) Heritage Assessment
- c) Marine and Fisheries Assessment
- d) Socio-economic Assessment
- e) Beach and Dunes Dynamics Assessment
- f) Wetland Delineations and Functional Assessments (if required)

5. CURRENT ENVIRONMENTAL LEGISLATION

The current Environmental Impact Assessment Regulations, 2014 published in Government Notices R 982, 983, 984 and 985 of 4 December 2014 under Section 24(5) read with Sections 24, 24D and 44 of the National Environmental Management Act, 1998 (Act No. 107 of 1998) (as amended) will apply to this project.

Based on the current regulations the EAP must complete the Scoping and EIR process within 300 days of acceptance of the Application for Authorisation by the Department of Environmental Affairs (DEA). Given the tight time frames and legislated time periods it is anticipated that the majority of the specialist studies will need to be conducted prior to the submission of the application to the department. As such, it is imperative that the EAP, project proponent and commenting authority are in agreement to the plan of study and required specialist studies prior to the application being submitted to the authorising authority.

Agreement on the plan of study and required specialist studies must be agreed on during the pre-application meeting held with the authorising authority and written confirmation of these agreements must be issued by the authorising authority to the EAP and project proponent.

It is important to note that timeframes in the 2014 regulations are based on calendar days and the following conditions apply:

- 15 December to 5 January excluded from calculation.
- No Public Participation between 15 Dec & 5 Jan unless justified by exceptional circumstances.
- Organs of State to comment within 30 days from the date on which it was requested to submit comments (2010 = within 40 days).
- For both BA & S&EIR: the Authorising Authority (AA) must within 107 days issue a decision.
- Notification of decision by CA within 5 days of date of decision (2010 = within 2 days).

6. LEGISLATED EIA TIME FRAMES

- The competent authority must, within ten days of receipt of the application, and in writing acknowledge receipt of, and (a) accept the application, if the application is in order; or (b) reject, in writing, the application, if it is not in order.
- If S&EIR must be applied to an application, the applicant must, within 44 days of receipt of the application by the competent authority, submit to the competent authority a scoping report which has been subjected to a public participation process of at least 30 days and which reflects the incorporation of comments received, including the comments

of the competent authority. The scoping report must contain all information set out in Appendix 2 of the Regulations.

Based on the above it will be a requirement that the scoping report be drafted prior to the application being submitted to the department as the 44 day period requires at least 30 days for Public Participation. (As such, it is imperative that the EAP, project proponent and Competent Authority are in agreement to the plan of study before the EIA application is submitted)

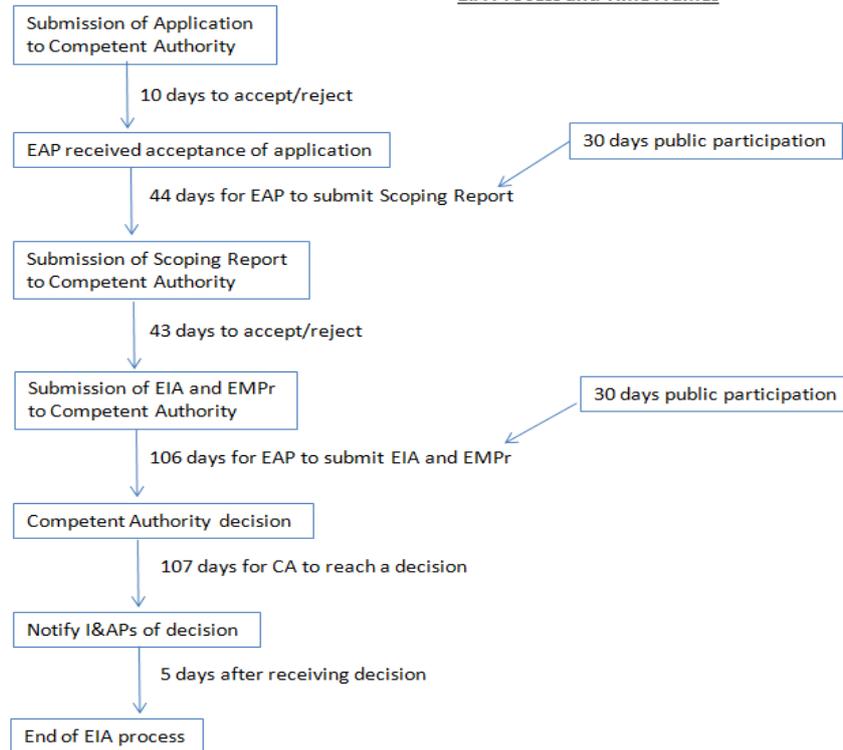
- ❑ The competent authority must, within 43 days of receipt of a scoping report (a) accept the scoping report, with or without conditions, and advise the applicant to proceed or continue with the tasks contemplated in the plan of study for environmental impact assessment; or (b) refuse environmental authorisation if the scoping report does not comply to the policy directives of government or does not substantially comply with Appendix 2 of the Regulations.
- ❑ A plan of study for environmental impact assessment must contain all information set out in item 3(j) of Appendix 2 of the Regulations.

Based on a review of the current Regulations the plan of study needs to be submitted to the Competent Authority and is incorporated into the Scoping Report submitted for comment.

- ❑ The applicant must within 106 days of the acceptance of the scoping report submit to the competent authority (a) an environmental impact report and an EMPr, which must have been subjected to a public participation process of at least 30 days and which reflects the incorporation of comments received, including the comments of the competent authority; or (b) a notification in writing that the environmental impact report and EMPr will be submitted within 156 days of receipt of the application by the competent authority, as the initial public participation process contemplated in sub regulation (1)(a) resulted in significant changes or new information being added to the environmental impact report or EMPr and that the revised environmental impact report or EMPr will be subjected to another public participation process of at least 30 days.
- ❑ The competent authority must within 107 days of receipt of the environmental impact report and EMPr, in writing - (a) grant environmental authorisation in respect of all or part of the activity applied for; or (b) refuse environmental authorisation.

Based on a review of the current timeframes the following flow diagram has been generated outlining the EIA process and time frames:

EIA Process and Time Frames



Based on the above from submission of the Application for Authorisation to the competent authority until an environmental authorisation is issued should take 310 days based on the process outlined above.

7. ACTIVITIES TRIGGERED

Based on a review of the current environmental legislation to following listed activities are likely to be triggered by the proposed installation of the ACE Cable System:

Activity No(s):	Provide the relevant Basic Assessment Listed Activity(ies) as set out in Listing Notice 1 (GN No. R. 983)
Activity 17 of Listing Notice 1 (No. R. 983 of 2014)	The project will entail the landing of a marine telecommunications cable at Melkbosh strand Beach. This will entail the digging of a trench down the beach into the intertidal zone and the installation of the underground telecommunications cable.
Activity 18 of Listing Notice 1 (No. R. 983 of 2014)	The project will entail the rehabilitation of the primary dune belt along Melkbosh strand Beach where construction activities associated with the laying of the underground telecommunications cable will disturb vegetation on the primary dune. In addition to the above, the project will involve the planting of vegetation and material to aid in dune rehabilitation once construction is complete.
Activity 19 of Listing Notice 1 (No. R. 983 of 2014)	The project will entail the excavation and deposition of more than 5 m ³ of material within a 100 m of the high water mark of the sea when trenching for, and backfilling of, the marine telecommunications cable takes place.
Activity No(s):	Provide the relevant Basic Assessment Listed Activity(ies) as set out in Listing Notice 3 (GN No. R. 985)
Activity 12 of Listing Notice 3 (No. R. 985 of 2014)	The proposed development will require the removal of indigenous primary dune vegetation where the cable system lands at Melkbosstrand as well as along the existing beach pathway along Melkbosstrand which is located within 100 m of the high water mark of the sea. As such this listed activity is triggered.
Activity 15 of Listing Notice 3 (No. R. 985 of 2014)	The proposed development will require the trenching of approximately 900 m of trench through areas zoned as public open space and conservation near Melkbosch strand. It is anticipated that a servitude will have to be registered with the City of Cape Town and as such this listed activity is potentially triggered.
Activity No(s):	Provide the relevant Scoping and EIR Listed Activity(ies) as set out in Listing Notice 2 (GN No. R. 984)
Activity 10 of Listing Notice 2 (No. R. 984 of 2014)	The proposed development involves the landing of the ACE Cable System by MTN near Melkbosh strand in the Western Cape. As such, this listed activity is triggered by the proposed development.
Activity 14 of Listing Notice 2 (No. R. 984 of 2014)	The proposed development triggers this listed activity as the ACE Cable System will be placed on the sea bed once it enters the marine environment. At some places the cable will also be buried under the sea bed to provide extra protection to the cable system.
Activity 26 of Listing Notice 2 (No. R. 984 of 2014)	Although unlikely to be triggered this listed activity has been included as the proposed trench for the marine cable may result in the entrapment of sand within the inter- and sub-tidal zones.
Activity No(s):	Provide the relevant Category A Waste Management Activity(ies) as set out in List of Waste Management Activities (GN No. R. 921)
	Not Applicable
Activity No(s):	Provide the relevant Category B Waste Management Activity(ies) as set out in List of Waste Management Activities (GN No. R. 921)
	Not Applicable