



IFC 38/2021 Open Spectrum Submission

Response to the
implementation of the
Spectrum Pricing Review
(part 2)

10 DECEMBER 2021

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The Manager
Economics Advisory
Australian Communications and Media Authority
PO Box 13112 Law Courts
Melbourne Victoria 8010

Dear Sir/Madam,

Introduction

Open Spectrum thanks the ACMA for consulting on the second tranche of reform proposals under the Spectrum Pricing Review and proposed adjustments to the tranche one reforms, and we appreciate the opportunity to provide comments.

In this submission, we focus on the adjustments to the tranche one changes, in particular the adjustment to the earth station systems price.

Support for review of s804AA/s404A

We note that the ACMA proposes to allow increased flexibility in the application of the earth station systems pricing, which is currently detailed in section 804AA of the *Radiocommunications (Transmitter Licence Tax) Determination 2015* and section 404A of the *Radiocommunications (Receiver Licence Tax) Determination 2015* (referred to herein as s804AA/s404A). We strongly support the removal of the condition for the spectrum accesses to have the same centre frequency, as per page 19 of the ACMA's October 2021 consultation paper.

As per the draft Amendment Determinations in Attachments A and B of the consultation package, the ACMA proposes to replace the paragraph (1)(b) of s804AA/s404A:

(b) each of the co-located earth [receive] stations is authorised to operate:

- (i) on the one centre frequency; and
- (ii) using the same bandwidth.

with the following:

(b) the spectrum access for each of the co-located earth [receive] stations is within a frequency range within which the licence authorises the operation of a radiocommunications [transmitter/receiver].

We support this approach and we note that it accommodates for spectrum accesses which are only partially overlapping. The point is that licence tax is only paid for once for each MHz of licensed bandwidth, for multiple co-located earth station antennas.

However, to fully support this approach, it is also necessary to make changes to sub-section (2) of s804AA/s404A. Sub-section (2) explains how to calculate the licence tax, and mirrors the

approach adopted for Scientific Assigned licences, whereby the licence tax for each spectrum access is summed and then divided by the number of spectrum accesses—essentially an average of the licence tax. However, this approach leaves itself open to problems. If a narrowband station was completely within a wideband station, it could effectively and erroneously halve the licence tax paid for the wideband station. e.g. $(200 \text{ [MHz]} + 1 \text{ [MHz]})/2 = 100.5 \text{ MHz}$

Rather, we propose a far simpler approach to licence tax, based on simply charging licence tax on the full range of frequencies registered under the licence. For example:

(2) The licence tax charged for the licence is the amount worked out under item [802A/402] for the bandwidth between the lowest licensed frequency and the highest licensed frequency, where:

- (a) the lowest licensed frequency is the minimum among the lower frequency edge of each spectrum access; and
- (b) the highest licensed frequency is the maximum among the upper frequency edge of each spectrum access.

It would then be up to licence applicants to avoid applying for licences with significant spectrum 'gaps' not covered by spectrum accesses.

Implementation of s804AA/s404A

Our understanding is that the ACMA is currently implementing s804AA by requiring Accredited Persons (APs) to apply for Fixed Earth and Earth Receive licences with a single spectrum access, with details of each "co-located and co-frequency earth station" specified in Special Condition(s) on that single spectrum access.

This is an erroneous approach for a number of reasons, most notably:

- s804AA/s404A explicitly refers to multiple spectrum accesses.
- Burying details such as site coordinates and antenna details in the text of Special Conditions prevents APs from carrying out automated coordination against those sites/antennas.

We respectfully request that the ACMA rectify this situation as soon as possible such that each earth station is authorised by its own spectrum access in RRL with its own ACMA Site and Antenna record, and we stress that the current approach is completely inadequate for accurate and automated frequency coordination.

Summary

In summary, Open Spectrum supports adjustments to the tranche one reforms. We strongly support:

- the removal of the condition for each earth station to have to be recorded on the same centre frequency and bandwidth;
- a review of the licence tax applicable to earth stations to change from an averaging of licence tax across multiple spectrum accesses, to a single licence tax charged for the bandwidth between the lowest and highest frequencies recorded under the licence; and

an urgent rectification of the implementation to the earth station system licensing approach to permit multiple spectrum accesses under a single licence, rather than a single spectrum access with different sites and antennas described in Special Conditions.

Open Spectrum looks forward to continue working with the ACMA and the wider radiocommunications industry.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Juan Pablo Casetta', with a horizontal line drawn through the middle of the signature.

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10 December 2021