

26 September 2023



The Manager
Revenue, Cost Recovery, Budgets and Financial Operations
Australian Communications and Media Authority
PO Box 78
Belconnen ACT 2616

Dear sir

RE: Draft 2023–24 fees for service Cost Recovery Implementation Statement Consultation paper

The Communications Alliance's Satellite Service Working Group (SSWG) wishes to thank the Australian Communications and Media Authority (ACMA) for the opportunity to provide feedback on the *Draft 2023–24 fees for service Cost Recovery Implementation Statement Consultation Paper* (the '*Consultation Paper*').

Importance of C-band satellite for Australia

Several SSWG members operate C-band gateway Earth Stations in the 3.8 GHz band in metropolitan areas of Australia to support the maritime, mining, energy, defence, telecommunications and government sectors. These gateways have been providing vital communication links for decades to remote and regional areas in Australia and the Asia Pacific, especially in tropical and oceanic areas, often where no other telecommunications options are available.

AWRL charges

The SSWG understands that the ACMA is proposing to issue area-wide receive licences (AWRLs) in the upcoming allocation process of apparatus licences in the 3.8 GHz band in metropolitan and regional areas for the licensing of earth receive stations.

The SSWG has advised the ACMA several times that in its opinion the use of AWRLs for earth receive stations is inappropriate, for the following reasons:

1. Area-wide licences (AWLs and AWRLs) are used "to operate multiple radiocommunications devices for any service in a specific geographic area and frequency band."¹ To our mind, AWLs might be a suitable licensing scheme for multiple transmitting stations in a geographic area to provide clear guidance on their emission limits, but it is not a justifiable licensing scheme for earth receive stations. This is not how earth receive stations in the 3.8 GHz band are deployed. Earth receiving stations in this band often only have one or a small number of antennas in a defined AWL geographic area and therefore the licence cost cannot be shared by multiple devices.
2. In introducing this method of licensing, the ACMA is intending that prospective AWRL licensees will acquire AWL spectrum space (both in area and frequency) that is

¹ ACMA's reason for selecting AWLs - <https://www.acma.gov.au/apparatus-licences>

needed to ensure their operations are provided suitable co-channel and adjacent channel protection from existing and future AWLs used by wireless broadband (WBB) transmitters. The proposed AWRL approach for earth receive stations is the reverse of the first-in-time coordination method, which has been relied on for many years, where the first-in-time licensee has priority and new licensees have to find a way to minimise interference to the existing licensed radiocommunications receiver. WBB transmitters radiate significant unwanted emissions which can interfere with sensitive adjacent channel earth receive stations. The ACMA is intending that AWRL licensees pay for this additional spectrum space which the SSWG categorically opposes or suggests should be included and paid for as part of the WBB's AWL.

3. The SSWG has demonstrated in studies submitted to the ACMA, that the use of AWRLs for earth receive stations would lead to inefficient use of spectrum and impose undue constraints on existing and future Fixed Satellite Services (FSS) operations in the band. We therefore believe that this licensing scheme is not tailored to earth receive stations and we would propose that earth receive stations continue to be licensed using the current site-based Apparatus Licensing (AL) methodology. The current AL methodology will produce a more spectrum efficient arrangement and allow more earth receive stations to continue to operate.
4. In a recent SSWG study² submitted to the ACMA, the AWRL spectrum space required to meet the proposed requirements in point 2 above results in a disproportionate increase in annual tax for satellite earth receive station licences compared to site-based AL which is uneconomical for satellite operators and service providers and will lead to FSS being systematically disadvantaged vis-à-vis other services in the same region and band, resulting in FSS being driven out through the new AWRL pricing and licensing methodology.

Table 1, taken from the recently submitted SSWG study to the ACMA (see point 4 above) compared the annual tax of the current site-based AL with the proposed annual tax of the AWRL for two example carrier bandwidths in a medium density geographic location assuming an earth station antenna elevation of 15° and the proposed high power WBB transmitters (operating under an AWL).

| Carrier bandwidth (MHz) | Site-based apparatus licence (AL) | AWRL co-channel BW fee | AWRL adj-channel BW fee | Total AWRL fee |
|-------------------------|-----------------------------------|------------------------|-------------------------|------------------|
| 0.25 | \$53 | \$1,114 | \$158,102 | \$158,234 |
| 15 | \$3,178 | \$66,855 | \$216,040 | \$223,975 |

Table 1: Annual tax comparison - FS ES antenna elevation of 15°

Table 2 compares the issue/variation fees for the current site-based apparatus licence (AL) compared to the proposed AWRL. The proposed AWRL fees are taken from Table 4 of the present Consultation Paper. The 'AWRL – further charges' amount is an estimated amount assuming that the assessment and processing against other related applications for AWLs and/or AWRLs will take the same amount of time as the initial assessment and processing of the first application.

² CA SSWG response to ACMA allocation of AWL in 3.8 GHz band (1 Aug 2023)

| Issue/vary Site-based apparatus licence (AL) fee ³ | Issue/vary AWRL fee | AWRL - further charges | Total issue/vary AWRL fee |
|---|---------------------|------------------------|---------------------------|
| \$546 | \$847 | \$847 | \$1,694 |

Table 2: Issuing/varying Apparatus licence fees comparison – AL vs AWRL

The disproportionate increase in annual tax (Table 1) and significant increase in the cost of issuing or varying the licence (Table 2) for an earth station receiver via the AWRL methodology compared to the existing AL methodology is untenable. The tax increase is estimated to be between 70 and 3,000 times the current rate of tax, which is unjustifiable. These proposed levels of tax for earth station receiver licences are way outside of international best practice.

These changes are likely to impact up to 45 current earth station receiver licences in metro and regional areas in the 3.8 GHz band, even more depending on how incumbent licences are treated by the ACMA and of course all future licences from 2024.

Conclusions

1. The AWRL licensing model is designed for multiple radiocommunications devices in a specific geographic area and frequency band which is not appropriate for earth station receivers.
2. Earth station receiver licensees represented in the SSWG oppose the ACMA view that AWRL licensees should pay for co-channel and adjacent channel protection from existing and future high powered WBB transmitters radiating significant unwanted emissions that would interfere with sensitive earth station receivers. Such proposals are against international best practice for licensing.
3. The SSWG opposes the massive increase in annual tax and significant increase in the cost of issuing or varying the licence for an earth station receiver via the AWRL methodology.
4. The SSWG proposes that the current site-based AL methodology should continue to be used for satellite earth receive stations in the 3.8 GHz band in metropolitan and regional areas and the proposed AWRL methodology and pricing should not be implemented. If the ACMA decides to proceed with the AWRL methodology, the SSWG would request that a grace period of five years be provided before transitioning from the current AL methodology to the AWRL methodology.
5. The SSWG is opposed to the proposed AWRL methodology and consequent unreasonable pricing for satellite earth receive station licences.

³ ACMA's Apparatus licence fee schedule, July 2023

If you have any questions with respect to this submission, please contact Mike Johns at Communications Alliance on 0414 898 841.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John Stanton', written in a cursive style.

John Stanton
Chief Executive Officer

Communications Alliance

Communications Alliance is the primary communications industry body in Australia. Its membership is drawn from a wide cross-section of the communications industry, including carriers, carriage and internet service providers, content providers, platform providers, equipment vendors, IT companies, consultants and business groups.

Its vision is to be the most influential association in Australian communications, co-operatively initiating programs that promote sustainable industry development, innovation and growth, while generating positive outcomes for customers and society.

The prime mission of Communications Alliance is to create a co-operative stakeholder environment that allows the industry to take the lead on initiatives which grow the Australian communications industry, enhance the connectivity of all Australians and foster the highest standards of business behaviour.

For more details about Communications Alliance, see <http://www.commsalliance.com.au>.