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PAUL FLETCHER MP

Federal Member for Bradfield
Minister for Communications,
Cyber Safety and the Arts

MS19-000851

Mr Rod Sims
Chairman
Australian Competition and Consumer Commission
GPO Box 3131
Canberra ACT 2601

Dear Mr Sims ^{Rod}

I write to request the Australian Competition and Consumer Commission's (ACCC) advice on competition issues associated with the Australian Communications and Media Authority's (ACMA) planned spectrum and apparatus licences allocations of the 26 and 28 GHz bands.

Overview of licensing arrangements for the 26 and 28 GHz bands

To optimally deploy 5G networks, mobile network operators (MNOs) will require spectrum across a variety of bands to meet coverage and capacity requirements. While low and mid-band spectrum will provide broader geographic coverage for 5G networks, millimetre wave spectrum will provide for shorter-range, high capacity services. Both the 26 and 28 GHz bands (24.25-27.5 GHz; 27.5-30 GHz) have been identified as some of the first millimetre wave (mmWave) spectrum bands capable of supporting 5G wireless broadband services.

To maximise the benefit and utility of these bands, ACMA proposes to allocate spectrum in them using a number of licensing types:

- In the 26 GHz band, ACMA proposes to provide for class, apparatus and spectrum licences, allocated by both price-based and administrative processes.
- In the 28 GHz band, the ACMA proposes to provide for apparatus licences allocated by administrative processes.

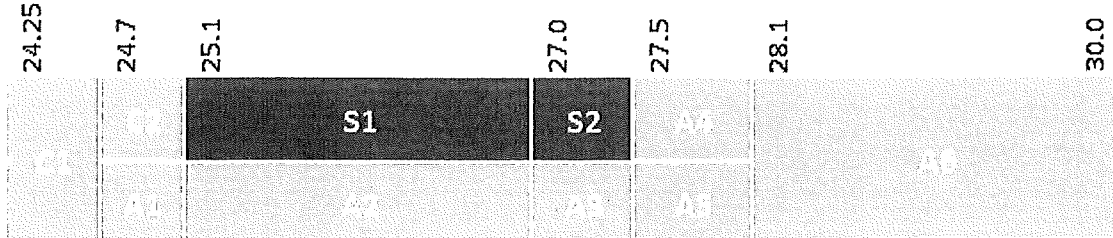
Spectrum Licences

Following a recommendation from ACMA, I have made the *Radiocommunications (Spectrum Re-allocation – 26 GHz Band) Declaration 2019* under subsection 153B(1) of the *Radiocommunications Act 1992* (the Act). Please find enclosed a copy of the declaration and accompanying explanatory statement (Attachment A). Under this declaration, the 25.1-27.5 GHz frequency range will be available for spectrum licensing in 29 defined areas. These defined areas reflect cities of more than 50,000 residents, or towns with significant seasonal populations. Spectrum licences will be available for a 15 year term and are planned to be auctioned in early 2021.

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In the 27.0- 27.5 GHz range, any defined area in an NBN Co fixed satellite service gateway footprint area will have restrictions to limit the potential risk of interference to NBN Co services.

Figure one: spectrum licensing in the 26 GHz band



Under section 60 of the Act, I have the power to direct ACMA to impose limits on the allocation of spectrum licences. I am seeking the ACCC’s advice on whether allocation limits should be imposed for the auction of these spectrum licences, and, if so, what the ACCC considers those limits should be. In the past, allocation limits for spectrum auctions have been adjusted following unexpected market changes. For this reason, I ask that the ACCC include any advice it considers appropriate on what may be the indicators of a market change significant enough to warrant a review of allocation limits after they have been set.

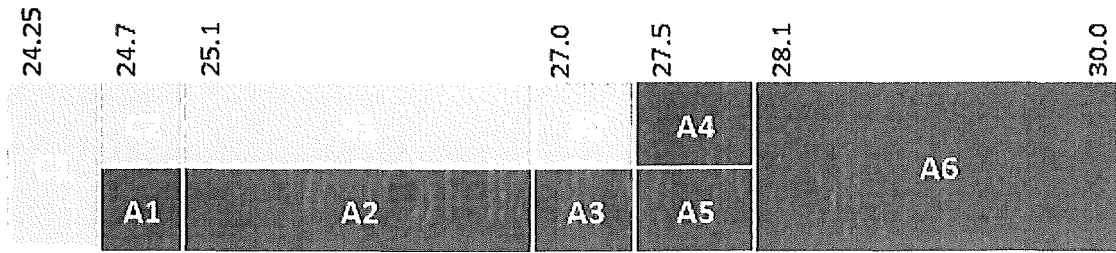
To guide the future allocation of this band, I have agreed upon a set of communications policy objectives for its allocation. I have enclosed a copy of these objectives (Attachment B). These objectives should not bind the ACCC and I appreciate the ACCC may wish to identify the criteria it will use in assessing competition in the band. Ultimately, these policy objectives will be used to inform any decision I make to set allocation limits under the Act and, as such, the ACCC may wish to have regard to them while developing its advice.

Apparatus Licences in the 26 and 28 GHz bands

When considering allocation limits for spectrum licences in the 26 GHz band, I ask that you also consider whether apparatus-licensed spectrum holdings in the 26 and 28 GHz bands should be taken into account.

Apparatus licences will be available across a large part of both the 26 and 28 GHz bands. In both of these bands, ACMA is proposing to make available a new licence type which is referred to as an “area-wide apparatus licence” (AWL). This new licence-type shares some of the characteristics of spectrum licences insofar as it licences a geographic space and frequency in which a licensee can add multiple transmitters or receivers. ACMA has not yet determined when it plans to allocate these licences, and I have asked ACMA to update you on its planned timing of these licences as it progresses its thinking.

Figure two: apparatus licensing in the 26 and 28 GHz bands



In the 26 and 28 GHz bands, apparatus licences will be available in six main frequency ranges and areas:

- **A1 (Australia-wide).** Restrictions on the number of base stations to manage interference by preventing wide and dense deployments.
- **A2 (outside defined areas).** No restrictions on deployments.
- **A3 (outside defined areas).** As per apparatus licences in 25.1–27.0, but with some restrictions on deployments to protect NBN Co satellite uplinks.
- **A4 (defined areas).** Restricted to fixed wireless on a primary access basis.
- **A5 (outside defined areas).** Restricted to fixed wireless on a secondary access basis, coordinating with primary fixed satellite users.
- **A6 (Australia-wide).** Restricted to fixed wireless on a secondary access basis, coordinating with primary fixed satellite users.

I have no formal role under the Act in directing ACMA on allocation limits for these apparatus licences if they are allocated administratively which I understand is likely in these bands. Regardless, I am interested in the ACCC's advice on competition issues associated with these licences, and whether restrictions on the allocation of apparatus licences should be applied.

To facilitate plans for the allocation of licences in the 26 GHz band, I would appreciate the ACCC's advice by Friday 28 February 2020. I anticipate the ACCC will both publicly consult on and publish its advice to me. I encourage the ACCC to consult with my Department and ACMA as it develops its advice. The contact officer for spectrum issues within my Department is Ms Cathy Rainsford, Assistant Secretary, Spectrum Branch. Ms Rainsford can be contacted by email at [REDACTED] or by phone on [REDACTED].

I look forward to receiving your advice in due course.

Yours sincerely

Paul Fletcher

18/10/2019

Enc.