

N31479

# BLAKE DAWSON WALDRON

L A W Y E R S

Level 36  
Grosvenor Place  
225 George Street  
Sydney NSW 2000

www.bdw.com

Tel + 61 2 9258 6000  
Fax + 61 2 9258 6999

DX 355 Sydney

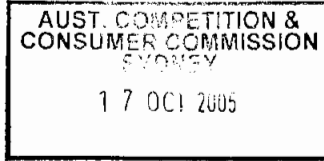
Locked Bag N6  
Sydney NSW 1225  
Australia

**Partner**  
Peter Armitage  
Telephone (02) 9258 6119

**Contact**  
Amanda Taggart  
Telephone (02) 9258 5696

**Our reference**  
PJA.AJT.02-1387 8782

17 October 2005



Mr Scott Gregson  
General Manager  
Adjudication Branch  
ACCC  
Level 7  
123 Pitt Street  
SYDNEY NSW 2000

Dear Mr Gregson

## Form G Notifications of Exclusive Dealing Conduct

We act for Intel Corporation.

Please find enclosed a form G Notification of Third Line Forcing Conduct on behalf of Intel Corporation.

We also enclose a cheque in the amount of \$1,000.00, comprising filing fees.

If you have any queries in relation to this notification, please do not hesitate to contact Peter Armitage on (02) 9258 6119 or Amanda Taggart on (02) 9258 5696.

Yours faithfully

*Blake Dawson Waldron*

FILE No:
DOC:
MARS/PRISM:

SYDNEY  
MELBOURNE  
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PERTH  
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PORT MORESBY  
JAKARTA  
SHANGHAI

112775670

**FORM G**

Commonwealth of Australia  
*Trade Practices Act 1974 – Sub-section 93(1)*

**EXCLUSIVE DEALING NOTIFICATION**

To the Australian Competition and Consumer Commission:

Notice is hereby given, in accordance with sub-section 93(1) of the *Trade Practices Act 1974*, of particulars of conduct or of proposed conduct of a kind referred to in sub-section 47(2), (3), (4), (5), (6) or (7), or paragraph 47(8)(a), (b) or (c) or (9)(a), (b), (c) or (d) of that Act in which the person giving notice engages or proposes to engage.

(PLEASE READ DIRECTIONS AND NOTICES ON BACK OF FORM)

1. (a) **Name of person giving notice**  
 Intel Corporation (**Intel**)
- (b) **Short description of business carried on by that person**  
 Development, manufacture and distribution of a variety of products, including general purpose microprocessors, network processors and wireless networking chips.
- (c) **Address in Australia for service of documents on that person**  
 c/o Peter Armitage  
 Partner  
 Blake Dawson Waldron  
 Level 36  
 225 George Street  
 Sydney NSW 2000
2. (a) **Description of the goods or services in relation to the supply or acquisition of which this notice relates**  
 The relevant services comprise the rights provided, granted or conferred on Unwired Group Limited (**Unwired**) in an agreement between Intel and Unwired for the promotion and deployment of broadband wireless technology and services in Australia.
- (b) **Description of the conduct or proposed conduct**  
 The provision of a convertible loan note by Intel to Unwired on condition that Unwired deploy a WiMAX compliant network and in doing so that Unwired enter into a business agreement with Navini Networks Inc (**Navini**) to acquire certain products or services (being base station equipment (**BSE**) and customer premises equipment or client cards intended for use within notebook and desktop computers (**CPE**)) from Navini.

3. (a) **Class or classes of persons to which the conduct relates**  
Developers of broadband wireless access technology.
- (b) **Number of those persons-**
- (i) **At present time**  
1
- (ii) **Estimated within the next year**  
1
- (c) **Where number of persons stated in item 3(b)(i) is less than 50, their names and addresses**

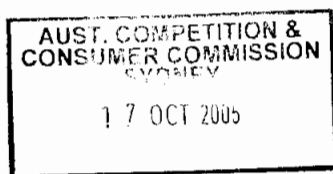
Unwired Group Limited

4. **Names and address of person authorised by the person giving this notice to provide additional information in relation to this notice**

Peter Armitage  
Partner  
Blake Dawson Waldron  
Level 36  
225 George Street  
Sydney NSW 2000

Dated 17 October 2005

Signed by/on behalf of the applicant giving notice



A handwritten signature in black ink, appearing to read "P. Armitage".

(Signature)

Handwritten initials "PJ" in black ink.

Peter James Armitage

(Full Name)

Partner, Blake Dawson Waldron

(Description)

## DIRECTIONS

1. If there is insufficient space on this form for the required information, the information is to be shown on separate sheets, numbered consecutively and signed by or on behalf of the person giving the notice.
2. If the notice is given by or on behalf of a corporation, the name of the corporation is to be inserted in item 1(a), not the name of the person signing the notice, and the notice is to be signed by a person authorised by the corporation to do so.
3. In item 1(b), describe that part of the business of the person giving the notice in the course of which the conduct is engaged in.
4. In particulars of a condition or of a reason of the type referred to in sub-section 47(2), (3), (4), (5), (6), (7), (8) or (9) of the *Trade Practices Act 1974* have been reduced in whole or in part to writing, a copy of the writing is to be provided with the notice.
5. In item 3(a), describe the nature of the business carried on by the persons referred to in that item.
6. In item 3(b)(ii), state an estimate of the highest number of persons with whom the person giving the notice is likely to deal in the course of engaging in the conduct at any time during the next year.

## NOTICE

If this notification is in respect of conduct of a kind referred to in sub-section 47(6) or (7) or paragraph 47(8)(c) or (9)(d) of the *Trade Practices Act 1974* ("the Act"), it comes into force at the end of the period prescribed for the purposes of subsection 93(7a) of the Act ("the prescribed period") unless the Commission gives a notice under sub-section 93A(2) of the Act within the prescribed period, or this notification is withdrawn.

The prescribed period is 21 days (if this notification is given on or before 30 June 1996) or 14 days (if this notification is given after 30 June 1996), starting on the day when this notification is given.

If the Commission gives a notice under sub-section 93A(2) of the Act within the prescribed period, this notification will not come into force unless the Commission, after completing the procedures in section 93A of the Act, decides not to give a notice under subsection 93(3A) of the Act. The notification comes into force when that decision is made.

If this notification is in respect of conduct of a kind referred to in subsection 47(2), (3), (4) or (5), or paragraph 47(8)(a) or (b) or (9)(a), (b) or (c), of the Act, it comes into force when it is given.

## SUBMISSION TO THE AUSTRALIAN COMPETITION & CONSUMER COMMISSION BY INTEL CORPORATION

### 1. **Background**

- 1.1 Intel Corporation (**Intel**) is a developer, manufacturer and distributor of a variety of products, including general purpose microprocessors, network processors and wireless networking chips. Intel is currently developing certain broadband wireless access technology, intended to comply with the standard described below.
- 1.2 Unwired Group Limited (**Unwired**) is an independent telecommunications carrier which operates a broadband wireless network in Australia. Unwired currently has a wireless broadband network of 73 base stations covering 2,000 square kilometres of Sydney.
- 1.3 WiMAX is a wireless digital communications system, which makes use of the IEEE 802.16 Air Interface Standard, that is intended for wireless "metropolitan area networks". WiMAX can be used for wireless networking in much the same way as the more common Wi-Fi protocol, based on the IEEE 802.11 standard. WiMAX is a proposed next generation IEEE protocol, that uses improved technology that allows for efficient bandwidth use, interference avoidance, and is intended to allow higher data rates over longer distances.
- 1.4 The WiMAX Forum (of which Intel, Unwired and Navini are, or will be members) offers a means of testing manufacturer's equipment for compatibility, as well as an industry group dedicated to fostering the development and commercialisation of the technology.
- 1.5 Intel is currently developing certain broadband wireless access technology intended to comply with the evolving IEEE 802.16e standard. Such technology includes IEEE 802.16e compliant, WiMAX Forum Certified silicon components, as well as related software products and reference designs.
- 1.6 Intel and Unwired are intending to collaborate in the promotion and deployment of broadband wireless technology and services in Australia with the goals of creating a WiMAX Forum Certified infrastructure to provide full mobility for WiMAX-compatible laptops and other devices.
- 1.7 Navini Networks Inc (**Navini**), develops, manufactures and distributes a range of base station equipment (**BSE**) and customer premises equipment (**CPE**). Unwired currently uses components supplied primarily by Navini and other vendors.

### 2. **Proposed Conduct**

- 2.1 Intel has entered into an agreement with Unwired (the **Collaboration Agreement**) in relation to the promotion and deployment of broadband wireless technology and services in Australia. The objective of this agreement is to create networks in Australia which include WiMAX Forum Certified components.

- 2.2 As a condition of the Collaboration Agreement, Intel and Unwired have executed an agreement concerning an equity investment by Intel in Unwired (the **Equity Agreement**). Unwired is issuing secured Convertible Notes to Intel, to raise a total of A\$37 million.
- 2.3 In return for the loan conferred by Intel on Unwired pursuant to Equity Agreement, Unwired agreed *inter alia* (in the Collaboration Agreement) to enter into a business agreement with Navini, to provide Unwired with BSEs required for its roll-out of its WiMAX network.
- 2.4 If Navini is unable to complete its development of certain WiMAX products within Unwired's timeframe, Unwired can seek the services of alternate vendors.
- 2.5 The Collaboration Agreement provides that Unwired's business agreement with Navini will require that BSE and CPE products are compliant with Intel's preferred profile (**IPP**) (which is a subset of the evolving 802.16e standard's definition, that optimises performance of Intel based CPEs in broadband wireless networks). If the WiMAX Forum does not ratify the IPP by the end of Q1 2007, the IPP requirement in the Collaboration Agreement will not apply.
- 2.6 Under the Collaboration Agreement, to the extent permitted by law, Unwired will also be required to use all commercially reasonable efforts to include in its requirements to its suppliers that any CPE, BSE or other network equipment shall be based on Intel WiMAX silicon, software or other applicable products, provided that "in Company's reasonable opinion such Intel silicon, software or other Intel products are competitive in terms of pricing, features and performance, and in the case of broadband wireless products, commercially available and equal to or better than alternative products in terms of customer parameters including: (i) indoor install and non-line of sight performance or (ii) coverage economics or (iii) nomadic features.
- 2.7 The Collaboration Agreement and Equity Agreement were approved by the shareholders of Unwired at a meeting of Unwired's Shareholders on October 13, 2005.

### 3. **No Public Detriment**

- 3.1 The goal of the WiMAX Forum is to accelerate the introduction of cost-effective broadband wireless access services. The introduction of a standards-based, interoperable solution will create economies of scale that will decrease price and increase performance to levels unachievable with proprietary equipment.
- 3.2 The structure of the transaction imposes the requirement on Unwired, to execute a business agreement with its current supplier Navini, which requires that the equipment supplied by Navini (and others) be compliant with IPP, only if the IPP is ratified by the WiMAX Forum.
- 3.3 However, Unwired is not required to deal exclusively or even primarily with Navini and accordingly, other suppliers of network equipment will be able to enter into supply agreements with Unwired, so long as their equipment is also compliant with IPP or the WiMAX standard.
- 3.4 The arrangements are voluntarily sought by each party as they offer considerable benefits to each party's business. Intel will be providing Unwired with access to its knowledge, at

no additional cost, and will be providing at its own cost, expert staff resources to work with Unwired's technical team to maximise WiMAX services to the customer, in addition to providing substantial financing.

#### 4. **Public Benefit**

##### *Increased competition in wireless services*

- 4.1 The transaction will allow Unwired to compete more effectively in the provision of Wide Area Network (WAN) services.
- 4.2 The Collaboration Agreement is aimed at expanding Unwired's wireless access network across Australia's metropolitan areas.
- 4.3 The proposal with Intel will facilitate Unwired's ability to commence the rollout of wireless broadband network and launch commercial services in more of its target market segments. The expansion will in turn increase competition amongst the major telecommunications networks across Australia, without reliance upon the Telstra customer access network, upon which many other competing broadband access suppliers are currently dependent.

##### *Network Equipment Vendor Level*

- 4.4 Under the Collaboration Agreement, Unwired agrees to work with its current supplier Navini, but remains free to acquire BSE and CPE products from other third party suppliers in addition to Navini. Pursuant to the Collaboration Agreement, Unwired will seek Intel's advice on the selection of suppliers of BSE, but any final decision will be made by Unwired.
- 4.5 The WiMAX Forum certification process allows more vendors to better compete with products that meet the WiMAX standard, which will in turn benefit the public.

##### *Consumer level*

- 4.6 WiMAX is expected to deliver a number of benefits for Internet users:
  - (a) improved technology - these include global roaming, faster speeds, full mobility and in the longer term, significant cost savings when the customer upgrades to equipment with embedded WiMAX chips.
  - (b) improved access – depending on the final ratified version of the IEEE 802.16 standard, WiMAX can provide broadband wireless access (BWA) for up to 50km for fixed stations, and 5-15km for mobile stations. In contrast, the Wi-Fi/802.11 wireless area network standard is limited in most cases to only 30-100 metres.
  - (c) improved service – the benefits for the public of WiMAX will include interference avoidance and enabling higher data rates over longer distances.
  - (d) reduced costs – the primary advantages of the WiMAX standard are expected to be interoperability between networks (and different equipment suppliers), which should reduce equipment costs, allow customers to roam nationally and

internationally, and lead to WiMAX chips being embedded in customer devices, such as laptops or PDAs, thereby removing the need to purchase a modem.

- 4.7 Consumers will have an alternative to existing large-scale telecommunications service providers such as Telstra and other DSL based broadband access suppliers which currently rely solely on Telstra's customer access network.
- 4.8 Absent Intel's involvement which is enabling the move to a WiMAX based network, which as noted will increase competition, Unwired might well be unable to undertake this very significant activity.

**Blake Dawson Waldron**  
**17 October 2005**