**TELSTRA CORPORATION LIMITED**

**Submission to the**

**Department of Infrastructure, Transport, Regional Development and Communications (DITRDC)**

Consultation on the designation of the

3.4 GHz band

20 October 2020

# Introduction

We welcome the opportunity to make this submission to the DITRDC’s *Consultation on the designation of the*

*3.4 GHz band*. We agree with and support the DITRDC’s assessment of the proposed approach against relevant policy objectives, especially that the designation of this spectrum is aligned to the Government’s policy for the rollout of 5G technologies and making more spectrum available for the provision of 5G services in both metropolitan and regional areas1.

While we are not directly affected by the draft Notice as we do not hold spectrum in the 3400-3575 MHz range in the specified geographies, we would like to take the opportunity to draw to the DITRDC’s attention to three matters, as explained below.

# Time limit on vacant Earth Station Protection Zones

We support the reservation of geographical areas (“protection zones”) for possible future earth stations at each of the four locations in regional NSW and Queensland. At the same time, we maintain our position described in our Nov 2017 submission2 to the Draft 3.6 GHz band Reallocation Recommendation consultation that where one or more proposed Earth Station Protection Zones (ESPZs) are found to be unsuitable, not necessary or otherwise remain unused, those vacant protection zones should expire no later than the expiry of the reallocation period for regional areas set for the 3.6 GHz band, i.e., 30 March 2025. This would avoid unnecessarily locking 5G services out of these areas if they are not used for satellite earth stations in this band by that time. Note: this approach would not preclude any or all those locations remaining as protection zones for earth stations operating in other bands.

# Timing for possible future reallocation

We propose that the allocation of any 3.4 GHz “urban excise” spectrum be combined with the allocation of spectrum in the range 3700-4200 MHz (both subject to Ministerial designation decisions) to create a single allocation exercise encompassing the 3GPP n78 and n77 bands. Reallocating all spectrum through a single exercise is the quickest route to facilitating a restack of the band so that MNOs can have access to contiguous spectrum and maximise the value of the spectrum for customers.

# All entities should pay “market rates” for spectrum licences

The consultation paper observes that “*In parallel with this consultation, the Government is separately considering whether to direct ACMA in relation to the fixing of a charge for spectrum licences to be offered to NBN Co and the terms of any such direction*.”3

Owners of new spectrum licences that have been converted from PTS apparatus licences should pay market rates for the term of the licence(s), and nbn co should be no exception. The payment of market rates recognises the opportunity cost of this spectrum, encourages it to be used for the highest value use, and avoids distorting the market for spectrum. We propose that an appropriate market rate would be based on the outcomes of the 3.6 GHz auction in December 2018.

1 Consultation paper, p.10.

2 Telstra submission to ACMA consultation on the Draft Reallocation Recommendation for the 3.6 GHz band, Nov 2017, available at: [https://www.acma.gov.au/sites/default/files/2020-06/Draft%20reallocation%20recommendation%20consultation%20-](https://www.acma.gov.au/sites/default/files/2020-06/Draft%20reallocation%20recommendation%20consultation%20-%20submissions_1.zip)

[%20submissions\_1.zip](https://www.acma.gov.au/sites/default/files/2020-06/Draft%20reallocation%20recommendation%20consultation%20-%20submissions_1.zip)

3 Consultation paper, p.13.

# Appendix 1: Answers to consultation questions

1. Do you support the proposed approach to designate the specified geographic areas and frequency ranges for spectrum licensing? Why or why not?

We support the proposed approach to designate the specified geographic areas and frequency ranges as it will help advance relevant policy objectives.

2. Would the Notice as drafted affect you? If so, how?

Telstra is not directly affected by the Notice, as we do not own spectrum in the frequency range 3400- 3575 MHz in the specified geographic areas.

3. Do you have any concerns about the Notice? If so, what are they?

We do not have any concerns about the Notice.

4. Are there alternative options to a designation that could facilitate defragmentation of spectrum holdings and achieve greater uniformity of licence type that the Government should consider?

We are not aware of any superior alternatives to this approach.