

9 August 2019

The Manager  
Spectrum Management Outlook and Strategy Section  
Spectrum Allocations Branch  
Australian Communications and Media Authority

By email: [LicensingDesign@acma.gov.au](mailto:LicensingDesign@acma.gov.au)

To the Manager

**Re: Proposed area-wide apparatus licence consultation paper**

Vodafone welcomes the opportunity to make this submission to the ACMA regarding the above consultation paper concerning area-wide apparatus licences (**AWLs**)<sup>1</sup>.

Vodafone supports the creation of a AWL type in principle however we have concerns that the ACMA has not given adequate consideration to critical questions of how such licences would be implemented in practice. There are likely significant negative consequences if poorly designed AWLs are introduced into the existing licencing framework.

Vodafone understands AWLs are intended to resemble spectrum licences in design particularly as they would allow multi-device deployments in a defined geographic area. This means that a poorly designed AWL licencing framework risks AWLs unintentionally becoming a partial or complete substitute for spectrum licences, thereby creating uncertainties, devaluing spectrum licences and potentially ultimately resulting in the entire spectrum management framework becoming unworkable. For example, AWLs may be misused as hording mechanism to speculate on spectrum given AWLs are intended to have presumed rights of renewal and may be purchased relatively cheaply over-the-counter. It is not clear whether these forms of arbitrage and other risks have been properly anticipated and accounted for in the design of the framework.

At a more granular level, the ACMA's consultation paper does not include sufficient information regarding a number of critical issues that would enable stakeholders to assess the introduction of AWLs in a more informed manner to identify any potential risks. For example, it is unclear how geographic boundaries or licence periods for AWLs would be determined. It is also unclear what criteria the ACMA would consider in determining the method of allocation. This means that it is difficult to assess whether AWLs would fit seamlessly into the existing licencing framework (or whether AWLs would cause unnecessary confusion and disruption to the existing framework).

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<sup>1</sup> Unless otherwise stated, we use the same terminology as the ACMA. For example, 'AWL' refers to both transmitter and receiver licences in this submission.

Given there are potentially serious consequences for getting the design of AWLs wrong, Vodafone believes that the ACMA ought to undertake a second round of consultations that would examine the proposal more deeply on specifics, after it has received feedback during this consultation which solicits feedback at the conceptual level.

Vodafone suggests that in the second round of consultations, the ACMA should include at a minimum:

- identification of the spectrum bands which would and wouldn't accommodate AWLs or at least which the bands in which the ACMA intends to accommodate AWLs;
- specification of the underlying common grid (eg the HCIS or something resembling the HCIS) for assessing geographic boundaries of AWLs or clear alternative methods to determine geographic boundaries if HCIS is not intended to be used;
- the proposed licence length of the AWLs and the process and criteria for determining licence periods, and
- the criteria according to which the ACMA intends to determine the allocation method for AWLs and, critically, pricing.

In Vodafone's view, the ACMA's second round of consultations should focus substantially on whether AWLs are appropriate for the 26 GHz band (and other substitutable bands) and how such licences would be issued. This is because at this time, only the 26 GHz spectrum band is likely to warrant consideration of the AWL type given the proposed planning of the 26 GHz band<sup>2</sup>, the propagation characteristics of 26 GHz spectrum, and the potential limited downstream uses of the 26 GHz band with respect to geographic coverage.

For the reasons outlined above, Vodafone supports the inclusion of AWLs in the existing licensing framework. However, Vodafone does not support the ACMA's approach to erect "scaffolding" for AWLs (as identified in the consultation paper) without first examining in detail any potential negative consequences of AWLs with reference to a concrete proposal in a specified spectrum band.

If you have any questions, please do not hesitate to contact Louie Liu at [Louie.Liu@vodafone.com.au](mailto:Louie.Liu@vodafone.com.au) or myself.

Yours sincerely



Dan Lloyd  
Chief Strategy Officer & Corporate Affairs Director

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<sup>2</sup> For more detail see the ACMA 26 GHz draft reallocation recommendation consultation paper.