

Ms Chris Xie  
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ACCC

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Dear Ms Xie

**Re: Allocation limits advice for 3.4-4.0 GHz band allocation in remote areas**

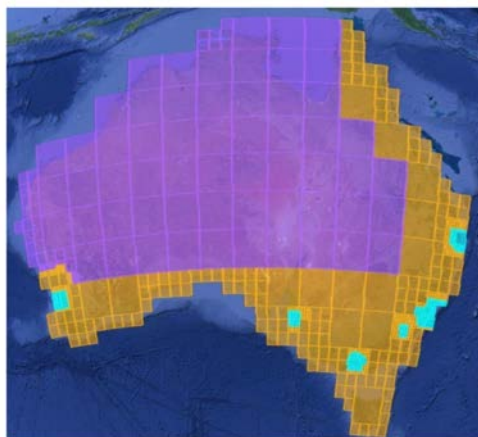
TPG Telecom Ltd (TPG) appreciates the opportunity to provide input into the above consultation.

TPG understands that the ACMA has sought advice from the ACCC on whether allocation limits should apply to the ACMA's planned allocation of 600 MHz of spectrum in the 3.4-4.0 GHz band in remote areas of Australia (the **Spectrum**).

The ACMA intends to allocate the Spectrum:

- in the first half of 2022
- as area-wide apparatus licences (**AWLs**)
- as AWLs that could be issued with up to 20-year licence terms, and
- via an administrative process which may be on a 'first come first serve' basis.

TPG understands that the geographic areas covered by the planned remote AWLs are shaded in purple in the map below:



It is difficult to provide definitive views given the limited allocation details available. Key allocation parameters have significant impact on competition considerations. For example, if the AWLs were allocated on a 20-year licence term on a first come first serve basis, then allocation limits ought to apply as a default, because a single operator could attempt to monopolise the Spectrum.

In that context, TPG agrees with the comments made by the ACCC in its consultation paper:<sup>1</sup>

*The use of an administrative allocation method (as opposed to a point-in-time auction) suggests that interested parties may not all seek spectrum at the same time, and that demand may manifest over a period of time. In such a case, interested parties that seek spectrum early would have an advantage since they have the ability to acquire more than they need in order to prevent their competitors from acquiring sufficient spectrum, or indeed any spectrum.*

The level of demand for the Spectrum will also depend on geography. For example, it would be reasonable to assume that demand may outstrip supply in relatively high population density areas such as Darwin, Northern Territory, and popular holiday destinations such as Broome, Western Australia.

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Given the above, TPG believes that allocation limits ought to apply. In those areas where the population density is relatively high (e.g. Darwin, Broome), an allocation limit of 40% of all available substitutable spectrum would be reasonable. This could be further refined subject to information the ACCC and/or ACMA has about expected level of demand. A relaxed allocation limit could be used in areas where the population density is low.

In terms of substitutable spectrum, TPG cannot comment on 1800 MHz in remote areas given that it is not yet allocated. However, TPG is convinced that the allocated 2300 MHz in areas where it overlaps with the Spectrum should be considered fully substitutable as this is another TDD band on which 5G can be deployed (i.e. 3GPP band n40). The 5G ecosystem is already well developed for this band, and Optus is already deploying 5G on its 2300 MHz (although only in major metropolitan cities where it has access to this band).

Yours sincerely

TPG Telecom Limited

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<sup>1</sup> ACCC, Allocation Limits advice for 3.4-4.0 GHz band allocation in remote areas, Consultation Paper, August 2021, page 13.