



## Australian Communications and Media Authority

### Comments of EchoStar Global Australia Pty Ltd on

### Consultation Paper on Implementation of the Spectrum Pricing Review: Proposed Guidelines and Focus Areas for Change

June 29, 2020

EchoStar® Global Australia Pty Ltd (collectively, **EchoStar Global**), an Australian satellite operator, thanks the Australian Communications and Media Authority (**ACMA**) for the opportunity to submit comments concerning the above-referenced consultation paper. EchoStar Global is currently scheduled to begin the deployment of its non-geostationary orbit satellite system as soon as it can resume its previously scheduled launches, which were delayed because of the pandemic. This system has been filed through Australia and will make a substantial addition to Australia's space industry.

EchoStar Global is a subsidiary of EchoStar Corporation, which is a global satellite operator of fixed and mobile satellite services and a satellite ground infrastructure manufacturer and system integrator holding regulatory authorisations across the globe. Accordingly, EchoStar Global and its affiliates have extensive experience in spectrum pricing structures for space-based communications services.

The ACMA plays an important role in regulating and managing spectrum pricing. EchoStar Global supports the ACMA's role in implementing the recommendations of the Spectrum Pricing Review. EchoStar Global understands that the responsible management of spectrum pricing is essential to encourage efficient use of spectrum and to promote technological innovation. The ACMA has asked stakeholders whether the current tax formula generally provides a solid base for incentivizing the efficient use of spectrum. EchoStar Global respectfully submits that the current fee schedule does not achieve this goal and this should be revised as discussed below.

The licensing of the 2 GHz bands provides a salient example of the inequities of the current tax formula. Under the current regime, Television Outside Broadcast (**TOB**) services operating in the 2 GHz bands receive a considerable discount, taxed at \$1.4380/kHz Australia Wide, Point to Multi-point likewise are taxed at \$1.2248/kHz Australia Wide. While MSS systems are taxed at \$2.8031/kHz Australia Wide. Neither TOB or P-MP readily share with other services while MSS can and there appears to be no justification for these taxation differences.

Currently TOB (via RALI FX-21) has access to about 64% of the Australian population compared to Mobile Satellite Services (**MSS**) which has access to only 36% if it is unable to operate where TOB claims to be deployed. There are no 'discounts' available on Australia wide licences that take into account the population base excised for other users (in this case currently TOB) and so the effective \$/MHz/Pop tax is overly excessive. . The current pricing system supports the maintenance of the status quo. This has the effect of discouraging, sharing innovation and efficient use of the spectrum. In EchoStar Global's view, the per kHz figures should be applied equally to all licence types and should be based on the lowest tax level, currently \$1.20/kHz (rounded to simplify).

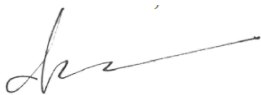
MSS networks, as opposed to TOB or P-MP services, have great capacity or willingness to share spectrum. MSS networks can share with each other using different orbital arrangements, timing, polarisation and band segmentation. In fact MSS systems share spectrum with various Australian Radio Astronomy facilities via geo-fencing and this method has proven to be very reliable. However, this is not adequately reflected in the licence fees currently payable. EchoStar Global submits that the tax formula should take into account the true value of shared spectrum, that is the value of spectrum that is actually shared, not the value of 'hypothetical' or 'possible' shared spectrum. We are of the view that the 'shared spectrum' discount should reflect the number of systems operating in a particular band. From EchoStar Global's perspective, a discount for shared spectrum is an ideal incentive for the most efficient use of the spectrum.

Finally, Echostar submits that the current apparatus licence fee structure is inappropriate for MSS operators operating in the 2 GHz band and other bands that are not covered by the *Radiocommunications (Communication with Space Object) Class Licence 2015 (Class Licence)*. Under the current system, if an entity operates entirely or partially outside of the small list of frequencies subject to the Class Licence, the entity must obtain apparatus licences for each earth station. Requiring separate licenses is administratively burdensome on both an applicant and the ACMA and imposes unnecessary costs on the applicant. This may also have the effect of pricing operators out of certain bands.

Echostar submits that there are two possible alternatives to this approach which will enable more efficient use of the spectrum. The first and our preferred option is to expand the frequencies subject to the Class Licence to include the 2GHz band, as was the case some years ago. As an alternative to the simple Class Licence approach, the ACMA may consider introducing a blanket-style licence that requires operators to have one licence and pay a reasonable blanket fee that covers all earth stations, rather than having to individually license each station. Echostar has witnessed the introduction of this licensing method in other jurisdictions with great success. For example, in April 2015 Canada's Department of Innovation, Science and Economic Development (**ISED**) revised its procedures for the licensing of earth stations by establishing a new, streamlined interim licensing process that allows for the blanket licensing of identical earth stations operating in certain radio frequency bands. This approach is utilised in a number of other countries as well, and has been successful.

Under this new process, parties who wish to operate multiple Very Small Aperture Terminals (**VSATs**) are required to provide the ISED with basic information regarding their VSATs. After this information is provided, the ISED issues a single blanket authorisation that allows the licensee or its customers to operate multiple systems of an unlimited number of identical VSATs in Canada. EchoStar Global submits that implementing a similar system in Australia would eliminate undue regulatory burdens on operators and on the ACMA.

Respectfully submitted,



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