

COMMENTS OF TELESAT

Following the consultation
"Response to implementation of the Spectrum Pricing Review" – 39/2020

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In the text of the Consultation, the ACMA provides a summary of responses received from the industry previously on the initial Spectrum Pricing Review consultation. As a follow-up, a few areas of focus that are most relevant to the ACMA's approach to administrative pricing for apparatus licence taxes are also proposed.

Telesat is pleased to share with the ACMA on the recent announcement of our prime contractor for Telesat Low Earth Orbit satellite constellation, Telesat Lightspeed¹. The first Lightspeed satellites will begin launching in approximately two years, with commercial services commencing in the second half of 2023. Both the Lightspeed user terminals and gateways are designed to operate in the Ka-band, including the 28 GHz.

Telesat is cognisant that the proposed changes by the ACMA would be pertinent to Telesat's market access in Australia and is grateful for the opportunity to provide our comments in response to two focus areas relevant to the imminent deployment of Telesat Lightspeed.

These are:

- Reduction in taxes on the tax formula for services above 5 GHz; and
- Introduction of a 'systems price' for earth stations with multiple antennas.

Reduction in taxes on the tax formula for services above 5 GHz

Telesat is pleased with the decisions and processes undertaken by the ACMA to reduce the apparatus licence fees for the higher frequency bands by up to 90%. Telesat is also impressed with the ACMA's speedy reaction in listening to the industry and addressing the concerns of too high fees with a significant fee reduction as part of its review of the apparatus license taxes.

Timeline is indeed key to any regulation. With growing interest in Ka-band satellite usage in recent years, the 90% reduction in the 17.3 – 31.3 GHz for the space system licences is timely and would provide a viable, sustainable business model for satellite operators in the longer term. The quantum of these new fees proposed are close to the recommendations made by Telesat previously and are regarded as a reasonable solution.

¹ More information detailing our vendor selection and the next-generation technology that is incorporated into the Lightspeed satellites may be found under Telesat's Press Release "Telesat to redefine Global Broadband Connectivity with Telesat Lightspeed, the World's Most Advanced Low Earth Orbit (LEO) Satellite Network" (<https://www.telesat.com/press/press-releases/manufacture-announcement/>, 9 Feb 2021).

As highlighted by the ACMA through an analysis with other jurisdictions, the new fees in the 17.3 – 31.3 GHz are now more aligned internationally². Recognising that the ACMA has taken a right step in drastically reducing the Australia-wide licensing fees in the same frequency band, Telesat is hopeful of ACMA's intentions in providing an even more competitive fee in the future.

Introduction of a 'systems price' for earth stations with multiple antennas

Telesat praises ACMA's decision to implement the 'systems price' for identical, "co-located", co-frequency earth stations under a single licensee. This, in particular, is entirely appropriate for NGSO "antenna farms". Such a scheme is in fact viable in consideration of the minimal spectrum denial of the additional antennas.

Other Comments

Specifically for the earth stations deployment in the 28 GHz frequency band, it is of Telesat's understanding that there are now two ways of licensing them in Australia – one via the earth station licence and the other via the recently-introduced Area-Wide Licence ("AWL").

Telesat is of the view that both licensing schemes will continue to coexist and interested parties will have the option to decide for themselves on the most suitable means of licensing in the 28 GHz. Telesat would appreciate confirmation of this understanding.

Conclusion

In conclusion, Telesat is aligned with the ACMA's proposal to proceed with the revisions made to the two determinations that relate to the apparatus licence tax calculations: introduction of the 'system price' for earth stations and reduction in apparatus licence taxes.

The responsive and daring decision to straightaway implement both price reductions ('system price' and apparatus licences) concurrently reflects ACMA's agility and open mindset in reacting to the views expressed by the satellite industry. This is particularly helpful and encouraging for satellite operators, such as Telesat, with huge investments being planned for the space and terrestrial stations. Telesat will soon

² Based on ACMA analysis on Figure 2 on page 28 of the ACMA's "Response to implantation of the Spectrum Pricing Review – Consultation follow-up and consideration of submissions (December 2020)".

enter the subsequent phases of securing Australian licences as part of the next stages of development.

Telesat is optimistic that the ACMA's proposed initiatives will further promote a viable and sustainable business case for satellite operators to provide affordable access within Australia in the long run, for the general benefit of all involved. These planned measures will also catalyse the eventual rollout of Lightspeed's deployment in Australia.

Should there be any additional queries or discussions, Telesat remains at the ACMA's disposal and looks forward to our continued engagement and cooperation.