

# Completed Auctions - 2nd PCS - 1.8 GHz and 800 MHz

## Auction Lot Prices

The prices paid for each lot in the PCS auctions are shown in [these tables](#).

## Status of Licences

A summary of licences issued following the second PCS auction as at 31 January 2002 is available [here](#). The summary reflects the outcome of the auction/allocation process, as well as any trading which has occurred since the initial issue of the licences.

## Auction Results (15 September 1998)

| Lot              | Nominated Bidder              | Bid          | Reserve      |
|------------------|-------------------------------|--------------|--------------|
| Melbourne-1      | Hutchison Telephone Pty Ltd   | \$14,000,000 | \$14,000,000 |
| Melbourne-12     | One.Tel Ltd                   | \$2,800,000  | \$2,500,000  |
| Sydney-12        | One.Tel Ltd                   | \$4,100,000  | \$3,800,000  |
| Sydney-13        | Vodafone Network No.2 Pty Ltd | \$4,000,000  | \$3,800,000  |
| Adelaide-4       | Telstra Corporation Limited   | \$1,500,000  | \$1,500,000  |
| Adelaide-11      | Vodafone Network No.2 Pty Ltd | \$270,000    | \$250,000    |
| Adelaide-12      | One.Tel Ltd                   | \$270,000    | \$250,000    |
| Adelaide-13      | Vodafone Network No.2 Pty Ltd | \$270,000    | \$250,000    |
| Adelaide-14      | One.Tel Ltd                   | \$250,000    | \$250,000    |
| Brisbane-12      | One.Tel Ltd                   | \$750,000    | \$750,000    |
| Brisbane-13      | One.Tel Ltd                   | \$750,000    | \$750,000    |
| Canberra-4       | Telstra Corporation Limited   | \$400,000    | \$400,000    |
| Perth-11         | One.Tel Ltd                   | \$285,000    | \$275,000    |
| Perth-12         | One.Tel Ltd                   | \$286,000    | \$275,000    |
| Perth-13         | Vodafone Network No.2 Pty Ltd | \$275,000    | \$275,000    |
| Perth-14         | Vodafone Network No.2 Pty Ltd | \$275,000    | \$275,000    |
| Remote West-1    | OzPhone Pty Ltd               | \$100,000    | \$100,000    |
| Remote           | OzPhone Pty Ltd               | \$50,000     | \$50,000     |
| Queensland-1     |                               |              |              |
| Remote Central-1 |                               |              | \$50,000     |
|                  | Totals:                       | \$30,631,000 | \$29,800,000 |

## Six applications for leftover PCS auction (31 August 1998)

Applications to participate in the auction of spectrum licences left unallocated following the 800 MHz and 1.8 GHz bands auction earlier this year, closed on 28 August 1998. Six applications were received - five from licensees from the first auction and one application from One.Tel.

The applicants for the auction were:

- AAPT Limited;
- Telstra Corporation Limited;
- OzPhone Pty Ltd;
- Vodafone Network No.2 Pty Limited;
- Hutchison Telephone Pty Ltd;
- One.Tel Limited.

## **What is Being Offered?**

Detailed information about the spectrum being offered is contained in the [Applicant Information Package](#).

## **Available Spectrum**

The Minister for Communications and the Arts, Senator the Hon Richard Alston, gave the ACA notices (Reallocation Declarations under s.153B of the Act) requiring the ACA to reallocate spectrum in the 800 MHz and 1.8 GHz bands.

Attachment [1A](#) (13 kb), [1B](#) (44 kb), [1C](#) (43 kb) and [1D](#) (43 kb) contain the four Minister's Re-allocation Declarations under s.153B of the Radiocommunications Act 1992. These re-allocation declarations require the ACA to re-allocate spectrum in the 800 MHz and 1.8 GHz bands by issuing spectrum licences.

The ACA conducted a simultaneous ascending auction in accordance with these re-allocation declarations between 20 April and 25 May 1998. As a result, 211 of the 230 spectrum allocation lots were allocated and 19 lots were passed in.

This second allocation of spectrum in these bands will allocate these 19 passed-in lots. Details of the lots are in the [Applicant Information Package](#).

## **Allocation Areas**

For the purposes of the auction, the ACA divided Australia into 21 areas determined by considering population distribution, communities of common interest, geography and its ability to shield radio signals, and existing radio site usage. These areas are classified as one of three types of areas, either:

- metropolitan (Brisbane, Sydney, Melbourne, Adelaide and Perth);
- regional (including Canberra, Darwin and Hobart, and populated rural areas of Australia); or
- outback (all remote areas).

[Attachment 5](#) (3.8 mb) of the Applicant Information Package contains detailed maps of each area.

## **Bandwidth Parcels**

The radiofrequency bands on offer are being allocated as spectrum lots which may be aggregated through the allocation process to form spectrum licences.

Details about the bands being offered are contained in the Radiocommunications Spectrum Marketing Plan (800 MHz and 1.8 GHz Bands) 1998 ([Attachment 4](#) (283 kb) of the Applicant Information Package).

### **Spectrum Allocation Lots**

Each combination of allocation area and spectrum parcel will be regarded as a spectrum allocation lot. Each lot will be numbered sequentially and will have a “name” which combines the area name and the band number (e.g. “Sydney-21”).

The 19 spectrum allocation lots available in this allocation are:

- Brisbane-12;
- Brisbane-13;
- Sydney-12;
- Sydney-13;
- Melbourne-1;
- Melbourne-12;
- Adelaide-4;
- Adelaide-11;
- Adelaide-12;
- Adelaide-13;
- Adelaide-14;
- Perth-11;
- Perth-12;
- Perth-13;
- Perth-14;
- Canberra-4;
- Remote Queensland-1;
- Remote Central-1;
- Remote West-1.

### **Paired bands**

All lots consist of paired bands in this auction. The ACMA's view is that since this spectrum is being reallocated primarily to promote competition in the newly liberalised telecommunications market, it should be configured in a way that facilitates telecommunications use. However, pairs may be broken or subdivided if a licensee is able to find a buyer in the secondary market (see the explanatory overview in the [Applicant Information Package](#)).

### **Spectrum subject to spectrum licensing**

The ACMA will allocate the spectrum by issuing spectrum licences. Spectrum licensing authorises the use of spectrum space in a particular band and over a particular area, rather than the use of specified devices.

An overview of spectrum licensing and how it works is provided in the explanatory overview in the [Applicant Information Package](#).

### **Spectrum to be allocated while encumbered**

Prospective applicants should be aware that the spectrum allocation lots will be allocated and become the subject of spectrum licences while the spectrum in these bands is encumbered; that is, certain apparatus licensed services will be able to continue to operate in the spectrum that is to be allocated in this auction. The procedure for encumbered allocation is set out in Part 3.6 of the [Radiocommunications Act 1992](#) (the Act). Prospective applicants should familiarise themselves with the provisions of Part 3.6 of the Act.

The Act guarantees continuity for these incumbent services until the end of the period set out in the Minister's reallocation declarations, known as the re-allocation period. For incumbent services in the 1.8 GHz bands, the reallocation period in metropolitan areas ends on 31 December 1999, and in other areas, on 31 December 2000. For incumbent services in the 800 MHz bands, the reallocation period will be two years from 21 July 1997 (to 21 July 1999) for the first 2 x 15 MHz, and ends on 31 December 1999 for the remaining 2 x 5 MHz, in accordance with the AMPS phase-out timetable.

### **Competition/Bidding Caps**

The Minister for Communications and the Arts has power under s.60(10) of the Act to set bidding caps for the auction process. The Minister's formal Determination of the ACA of bidding caps for this spectrum allocation is at Attachment 2 of the [Applicant Information Package](#).

In the major capital cities, no one person (new or incumbent licensee) may purchase more than 2 x 15 MHz in the 1.8 GHz band.

In addition to this general limit, the spectrum segment 825-830/870-875 MHz will be reserved Australia wide for new entrants only (that is, not Telstra, Optus or Vodafone), with the restriction being enforced through carrier licence conditions. In addition, in major capital cities the spectrum segment 830-835/875-880 MHz will similarly be reserved for new entrants only.

These "reservations" are given effect through telecommunications carrier licence conditions which are in Attachment 3 of the Application Information Package; which contains Carrier Licence Conditions imposed on Telstra, Vodafone and Optus under the Telecommunications Act 1997 regarding access and roaming and restraining each from bidding on lots in the 800 MHz bands that are reserved for new players. Attachment 3A

contains the Carrier Licence Conditions (Access and Roaming) Declaration 1998, while Attachment 3B contains the Carrier Licence Conditions (Spectrum Re-allocation) Declaration 1998.

For the purposes of these competition rules, the acquisitions by associated persons be included in determining the aggregate acquisitions of any person.

### **Prohibition on Deployment of Analogue AMPS**

Government policy requires the phase out of the AMPS network by the year 2000.

### **Duration of licences**

Licences will be auctioned for a fixed term not exceeding fifteen (15) years. This is the maximum allowable under the Act. There is no automatic right of renewal.

### **What about participation of overseas parties?**

There are no restrictions, in the Radiocommunications Act, on the participation of overseas operators. Normal [Foreign Investment Review Board \(FIRB\)](#) guidelines apply and any prospective overseas applicants should satisfy themselves that they comply with such rules.