

ALL THIS WEEK:

**Independent reporting of ITU Telecom World
& 3G World Congress from Hong Kong**



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TM denies talks of buying Time dotCom

Telekom Malaysia told reporters that it has no plans now to acquire Time Engineering Bhd and its subsidiary Time dotCom Bhd. It was earlier reported by The Star that TM would be deliberating on a proposal this week to acquire a 42.7% stake in Time dotCom from its parent company Time Engineering. The Edge Malaysia also reported that TM was considering the acquisition of both Time Engineering and Time dotCom.

Khazanah Nasional, the government's investment arm is a major shareholder of Time dotCom partly through its stakes in United Engineers Berhad and Time Engineering. Time Engineering has been trying to cut down its debt and has been disposing its Time dotCom shares. Time Engineering reduced its stake to 40.68% from 42.82% between 27 October and 4 December 2006.

Industry watchers view that it is in the interest of Khazanah to find a strategic partner for Time dotCom. Time dotCom is seen as an attractive target for other telecoms operators as it owns a 5,200 km of fibre-optic trunk network which connects major cities across Peninsular Malaysia. There had been more speculations that companies could be interested to acquire Time dotCom after it was announced a winner of a 3G licence by the MCMC early this year.

Apart from TM, two other companies – DiGi and Jaring were also reported as possible parties to acquire Time dotCom.

A merger of Jaring with Time dotCom could create a strong broadband player to compete with TM Net. DiGi on the other hand would have access to 3G spectrum if it merges with Time dotCom.

TM told reporters that it has no plan currently to acquire a stake in Time dotCom or Time Engineering and there is no board of directors meeting scheduled this week as erroneously reported. TM added that for the record, the TM group owns the largest network of fibre-optic cables in Malaysia, totaling more than 220,000 core kilometers.

Last month, Time dotCom announced that it had officially received the 3G spectrum from the MCMC after satisfying all the conditions imposed by the regulator. Time dotCom will be using HSDPA to offer 3G broadband and mobile products. The company is planning to commercially launch its HSDPA services by the second quarter of 2007.

Time dotCom is also building its strength in the enterprise services market segment. The company launched its managed services under the OMNii brand name in the middle of this year. Time dotCom announced last Tuesday that it expects to grow its OMNii services by targeting the Islamic banking and finance sector. "OMNii specializes in managing the customers' end-to-end communications service needs, enabling the customer to concentrate on their core business", said Time dotCom.

Siow Meng Soh

VSNL provides Yahoo! with Teleglobe voice peering services

VSNL Singapore announced that it will be providing Yahoo! its Teleglobe voice peering and termi-

nation services to exchange high quality VoIP traffic on a global basis and provide premium international retail call termination for Yahoo!'s voice services.

Yahoo! is using the Teleglobe VoIPLink service to bridge interoperability between VoIP networks and to terminate traffic anywhere in the world. Yahoo! is also utilizing the Teleglobe VTS for users of Yahoo! Voice's Phone Out (PC-to-Phone) service worldwide.

VSNL International is among a suite of providers delivering high-quality termination calling services for Yahoo! globally. In April this year, AT&T was also appointed by Yahoo! to be the preferred network termination providers for the PC-based calling services in the Yahoo Messenger with voice service.

"Consumer VoIP providers, such as Yahoo!, as well as ISP/Broadband providers today are looking to engage an experienced global partner to leverage the advantages of voice peering. In response to overwhelming market demand, we are customizing our global voice and peering services offerings to meet the needs of these providers", said Michel Guyot, President, Global Voice Services, VSNL International.

VSNL International is one of the major international wholesale carriers with more than 415 combined direct and bilateral relationships with leading international voice telecommunications providers. The company provides a full suite of global voice and voice peering services.

David James, a Principal Analyst at Ovum says, "Consumer VoIP, Broadband and Internet Service Providers require increasingly innovative and compelling voice services to meet the demands of their retail customers. To be a significant player in this market a wholesaler needs to have an extensive network footprint, a broad portfolio of voice-related services (including VoIP and VoIP-TDM interoperability), an extensive network of bilateral agreements, and a proven track-record in the international voice market."

Siow Meng Soh

Maxis, Microsoft and Sybase 365 collaborates

Maxis Communications Berhad (Maxis) announced that it has entered into an agreement with Sybase 365 to deliver MSN Hotmail and Windows Live Messenger, the next generation of MSN Hotmail, to more than eight million Maxis mobile subscribers.

All Maxis mobile postpaid and prepaid subscribers can now easily access MSN Hotmail and chat with their MSN buddies on mobile devices anytime, anywhere using Windows Live Messenger. "With subscribers becoming more tech-savvy and knowledgeable, telco players have to offer new mobile content and relevant applications to ensure they continue to appeal to consumers and they stay with their respective prepaid and postpaid packages," said Rohit Dadwal, Director, Platform, Mobile and OneCare, Asia Pacific, Microsoft Online Services Business.

"We are seeing great market traction in Asia, and this deal with Maxis and Microsoft's online services group continues to solidify our foothold here," said Matthew Talbot, vice president for Asia, Sybase 365. "The MSN Hotmail and Windows Live Messenger over SMS services utilizes Sybase 365's custom-made mobile platform, developed based upon Microsoft .NET technology. This is to provide the ability to adapt to the complex nature of the Asian mobile communications market. Other countries in Asia in which Microsoft's Online Services Group and Sybase 365 have launched the service are Australia, Hong Kong, India, Singapore, Taiwan, and Thailand.

Viettel to offer GSM in Cambodia

Vietnamese carrier Viettel has obtained a license to offer GSM services throughout Cambodia. The move comes four months after the company – owned by the Vietnam military – became the nation's first telecom to offer international services with a Cambodian VoIP deployment. "With a 30-year licence, Viettel is allowed to provide voice, fax, data transfer, Internet, international phone and Wireless Application Protocol services," Viettel said in a statement. The carrier is Vietnam's third-largest mobile operator. Company official plans to sell off a 49% minority stake.

TAIWAN INTEREST: Viettel has received investment overtures from Chung Hwa Telecom, according to the Economic Daily News. The top Taiwan carrier is reportedly eager to crack the Vietnam marketplace – which is poised for massive growth due to a 10% mobile penetration rate – due

to saturation in its home market. The paper said Chung Hwa is also considering participation in a planned American Depositary Receipts issue by Vietnam Posts and Telecommunications. Chung Hwa dismissed the report as speculation.

VOIP BAN ENFORCEMENT: Vietnamese officials show no sign of relaxing a ban on unlicensed Internet telephony services, sentencing Ko Don Chul to 16 years in prison for operating a pirate VoIP service in Hanoi and Ho Chi Minh City. Prosecutors said the service diverted more than \$1 million from government coffers by avoiding overseas call tariffs

BellSouth-AT&T deal impasse may soon end

A regulatory deadlock over the controversial \$82.2 billion purchase of BellSouth by AT&T could be nearing its end. Federal Communications Commission chairman Kevin Martin has asked FCC general counsel Sam Feder to determine whether recused commissioner Robert McDowell could vote on the acquisition. Authorization would tip the balance toward the commission's Republican trio and bypass objections by the agency's two Democrat commissioners.

McDowell recused himself due to possible conflict of interest related to his previous work with carriers competing with the merger partners. But fierce consolidation advocate Martin has found himself stymied by opposition from Democratic commissioners Jonathan Adelstein and Michael Copps, who have been unable to come to agreement with their Republican counterparts on merger conditions. That impasse has led the FCC to postpone voting three times; a fourth attempt is slated for December 20.

Although AT&T has won antitrust approval for the acquisition, Adelstein and Copps have warned about a return to its historic monopoly and potential troubles for rate arbitrage and 'Net neutrality. Adelstein slammed the decision to involve Feder as an end-run by Martin that "appears to be an effort to cut short the dialogue about measures to safeguard choice and competition for consumers and to promote affordable broadband services."

The AT&T-BellSouth merger has been on hold for seven months due to FCC consideration. "It's unfortunate, but after months of intense effort on our part, we remain at an impasse," AT&T legislative affairs senior executive vice president Jim Cicconi said in a statement.

Alcatel-Lucent has formed an independent subsidiary aimed at the US government market. LGS integrates government solutions units from both Alcatel and Lucent, alongside the former Bell Labs Government Communications Lab. The new operation launches in January from a Virginia headquarters, tasked with serving civilian and military federal agencies. Northrop Grumman veteran Ron Iverson will take the reigns as CEO, while former Bell Labs Government Research and Security Solutions president Dave Bishop will serve in the twin positions of chief operating officer and chief technology officer.

NORTEL WCDMA ACQUISITION: Alcatel-Lucent has agreed to pay \$320 million to acquire select WCDMA assets from Nortel Networks. The cash deal includes the transfer of 1,700 Nortel workers as well as unspecified liabilities related to the vendor's WCDMA access unit. "The completion of this transaction will allow Nortel to increase resources dedicated to our strategic business priorities. It also positions Alcatel-Lucent to be successful in the UMTS access market with an infusion of great technology and great people. This transaction is a win-win for both companies, but more importantly, for our customers," said Nortel CEO Mike Zafirovski. "We will continue to work with Alcatel-Lucent to ensure the transition is seamless to our customers."

THALES SALE: The recently merged vendor also finalized the \$1.1 billion sale of its security, space and transport operations to Thales, which previously acquired Alcatel-Lucent's stake in two joint ventures with Finmeccanica. The divestiture includes 11,000 workers and sees the vendor's stake in Thales fall to 27.29% from a previous 31.26% holding. Alcatel-Lucent said the purchase price could rise following an independent evaluation of its 67% stake in Alcatel Alenia Space slated for 2009.

Eastern Telecom goes NGN with Nokia

Filipino carrier Eastern Telecom has tapped Nokia to construct an NGN core as part of its modernization drive. Under the deal, Nokia will install its IP telephony server and MSC Server System

softswitch to support fixed broadband access services. The vendor will also deploy its HSPA solution, D500 access node and Flexi Intelligent Service Node for multimedia IP services. Nokia has also agreed to boost Eastern Telecom's regional coverage with additional ADSL2+ and PSTN lines. Financial terms of the deal – Nokia's first with Eastern Telecom – were not disclosed.

“Our cooperation with Nokia helps us renew our operations and enhance our capability to provide new services for our growing customer base. Nokia's mobile softswitch and VoIP server will make it possible for us to offer new, innovative services to our customers in the most cost-efficient manner while enabling true service convergence,” explained Eastern Telecom CEO Eric Recto.

SIEMENS WINS CHINA CONTRACT

Siemens Networks has contracted to provide an IMS framework for China Telecom in Fujian province. The operator plans to leverage the platform to provide temporary fixed and mobile multimedia services for regional trade shows. The technology enables China Telecom to offer convention guests VoWLAN and IP Centrex services as well as real-time trade show information such as schedules, weather forecasts and hotel status. Siemens has also agreed to provide IMS platform maintenance over a five-year period. The deployment marks Siemens' second Chinese IMS platform sale following a deal with the CAEXPO trade fair organization and the city of Nanning.

TD-SCDMA READY TO GO

The Chinese TD-SCDMA standard is ready for commercial launch, according to developer ZTE. “We reckon that is no problem,” ZTE president Yin Yimin told the Financial Times. “We reckon we can provide the handsets. Now it is up to the state and the operators.” The assurance could mark the end of ongoing speculation about the issuance of mainland 3G licenses, with pundits having previously suggested that Chinese officials were reluctant to pull the trigger on next-generation services until the domestic standard was in place.

NORTEL LAUNCHES INDIA CENTER

Nortel Networks has launched an Asia Network Management Center in New Delhi, adding to previous facilities in London and North Carolina. Nortel said the center offers regional operators and enterprises to bolster network efficiency, security and reliability while trimming in-house management costs. “There's tremendous opportunity for cost savings and improved efficiency and performance through remote operation and management of networks and applications,” said Asia Nortel president Michael Pangia. “With our extensive Global Services portfolio and the opening of our new Asia Network Management Center, we now have the global scale to help our customers capitalize on this opportunity virtually anywhere in the world.”

Comment by Geoff Long

An alternative route through the flat world

Thomas Friedman started out his journey to survey the flat world on the first tee at KGA Golf Club in Bangalore, where he could observe Microsoft, IBM and the still unfinished Goldman Sachs buildings. I didn't quite get there, but I managed to get a round in at the cheaper Bangalore Golf Club, from where I could see the horrendous lines of traffic, some of which presumably were going to the same buildings that Friedman mentioned.

I share another thing with Friedman – I've also met with one of the Infosys

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top guys, in my case founder and former chairman Narayana Murthy. However, rather than test theories of globalisation, we basically talked cricket for most of the scheduled one-hour interview. I put this down to the fact that at the time (well before Friedman) I had no idea what Infosys did. Of course in this flat world of ours, now everyone knows about Infosys and the other Indian success stories (although I suspect many still don't *really* know what they do).

As for having my own epiphany, I came to the sharp realisation that Bangalore is in about the same shape as my golf game. Take your pick of adjectives – dodgy, streaky, crumbling, a-tad-short-of-shocking – the fact is they both need a lot of work. In the case of Bangalore, the traffic alone is one pointer that the place is just not coping with the demands being put on it. Another is the constant power cuts, and don't even get me started on the airport.

I liked Friedman's book and a lot of what he says makes sense. But visiting India gives me a strange feeling that he's missing something in his flat world theory. I can't put my finger on what it is, but I'm sure there's more to the success of places like Bangalore than the Internet and fibre optic connectivity. The social networks of Indians in every corner of the globe for starters.

Anyway, as you might have noticed earlier, I'm not into testing theories of globalisation (although one of these days I might try to flesh out what I think Friedman is missing). Much better to talk cricket, which if you can hang in there I can try to make relevant.

I knew cricket was huge here, but either I'd forgotten how huge or it's gotten even more crazy. Or . . . maybe the media has grown since my last visit. Or perhaps gotten more sophisticated so I pay it some attention. No doubt all of the above. In fact, I was surprised at how many news channels there are locally and how sophisticated a lot of the publications have become. This place could really be a media powerhouse.

Actually, make that a content powerhouse. Combine all of the cricket programming with the output of Bollywood and you've got a huge vault of material just waiting for a new online business model to send it to all corners of the flat earth. At a recent Cisco analyst day I attended, Bob McIntyre, CTO of new acquisition Scientific Atlanta, gave a talk on niche video programming. He noted how in the US, there was always huge demand for all sorts of niche on-demand offerings that cater to expat communities, whether they're Indian, Australia or Chinese.

Look at the popularity of the Cricinfo web site – it's one of the top sites in the world in terms of traffic generated. Imagine if they were to have a live video feed for all the users it serves in the far flung corners of the globe. It would be huge. You could also relate cricket programming to Chris Anderson's Long Tail theory. Then again, a long tail of cricket really would be a painful pun.

Whatever you call it, we are living in a world that is increasingly global yet at the same time is searching for more niche and local news and content (the new Singapore edition of *Commsday* comes to mind). Perhaps the more we globalise the more we appreciate our local specialities.

Which might explain Bangalore's adoption of its local identity at the expense of its global one. Yes, just as you were getting used to the likes of Mumbai, Kolkata and Chennai, now you can twist your tongue around Bengalooru, the new name for Bangalore.

Geoff Long

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TD-SCDMA—China’s home-grown 3G standard—is ready to go commercial. So says Dr Jing Wang, the secretary-general of the TD-SCDMA Forum who told me yesterday that there were no longer any technology issues holding the platform back. Dr Wang also told me that he expected there would be operational networks open in time for the 2008 Beijing Olympics although they might not be pervasive.



“We are now in the process of establishing user friendly trials which will test the network when fully loaded”.

“Technology performance is no longer an issue,” he said.

TD-SCDMA’s technical performance has been the subject of some criticism, with some observers suggesting it was no better than first generation WCDMA some 5 years ago.

But now the technical issues are on the way to being resolved, critics have turned their attention to how the delays in commercializing TD-SCDMA are holding back the development of 3G in the world’s largest mobile market.

Dr Wang acknowledges the critics.

“Some people question why we have to develop this standard but remember it was recognised as an ITU 3G standard at the same time as the others in the year 2000”.

“The reason for the Chinese government to support this technology is obvious... China can hold the competency of core technologies and IPRs and it wants to compete and leverage off this opportunity”.

On criticisms by Cisco CEO John Chambers that multiple standards can hold back the emergence of new markets, Dr Wang said: “China is a huge market... the market is big enough to make it work and grow”.

ITU & 3G Congress Diary

By Grahame Lynch in Hong Kong

Hong Kong’s annual 3G World Congress could have been decimated by being held at the same time as ITU Telecom World but the reverse has held true. Senior industry execs have used 3G’s Wan Chai location to avoid the crush of the ITU show near the airport and schedule some of their major meetings and key-notes downtown.



When one thinks about mobile content, women aged 18 to 35 haven’t been a big part of the industry conversation. All that is about to change with Canadian company CrazyFunBabe Mobile developing mobile multimedia and TV offerings targeting this demographic.

The service is already up and running in the UK with CEO Lorane Poersch saying it offers a mix of images for wallpapers and screensavers, J2ME, SMS, MMS, community-based messaging, alerts and chat games.

According to Poersch, interest has come from as far as afield as Egypt which suggests she might have some form of cellular Cosmo on her hands.

Name a factor that’s holding back mobile data and the keypad doesn’t come readily to mind. But according to Massachusetts company Digit Wireless, a re-designed keypad that makes it easier to input alphanumeric data can considerably lift usage of mobile messaging and multimedia - by 120% claims the firm.

Digit’s Fastap keyboard (pictured left) has both a numeric and alphabetical keyboard, integrated in a matrix fashion. The firm used 3G World Congress yesterday to announce an OEM deal with China’s ZTE adding to an existing arrangement with LG.

Founder Dr David Levy is a design innovator introducing the laptop touchpad when at Apple.