

# ExchangeDaily

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## Vividwireless flags TD-LTE rollout

***Vividwireless says it is sufficiently impressed with the price and performance of TD-LTE technology that it could use it for the deployment of planned network expansions in major East Coast capital cities.***

vividwireless has an 802.16e WiMAX network covering most of Perth and limited coverage in Sydney and Melbourne - primarily around major universities. It is about to turn on similar limited coverage networks in Brisbane, Adelaide and Canberra but wider coverage of cities other than Perth is dependent on funding that it has yet to raise.

Its current WiMAX network is based on Huawei SingleRAN base stations that are software upgradable to TD-LTE and vividwireless has been trialling the technology with three base stations in Sydney - in Redfern and Zetland in the inner city and at Horsley Park in the city's far west.

The two inner city sites provide contiguous coverage enabling vividwireless to test cell handover. The Horsley Park site is being used to test very long distance coverage using fixed CPE with a very high gain RF section.

### **Downstream bandwidth peak of 128Mbps**

According to vividwireless, its two month trial has delivered peak downstream bandwidths up to 128Mbps and consistent bandwidths between 40 - 70Mbps using 20MHz of spectrum in the 2.3GHz band (However there was very little load on the trial network).

At a demonstration of the technology at vividwireless' headquarters in the Australian Technology Park in Redfern, Sydney, vividwireless CEO, Martin Mercer, said: "The purpose of this trial was to see if the advanced TD-LTE technology is mature enough to deliver extremely fast mobile broadband services to our customers. This trial has established that [such] services are within our reach, and can be delivered quickly and cost effectively."

He added: "The technology is far more mature than we had expected. The Huawei SingleRAN solution is basically ready to go today and is at a price point that

would enable us to take service to market at prices comparable to what we offer today.

"We could deploy this technology in our east coast rollout and provide customers with services superior to those we provide today and equivalent prices. The question for us now based on the results of the trial is: do we rollout TD-LTE on the East Coast...and do we deploy it in other markets as well?"

Mercer declined to specify when funding might be raised, saying: "If you had asked me six months ago I would have said we would have it by now...It is well advanced. We are in discussions with a number of operators in the region and they are showing a lot of interest."

### **Funding sought for East Coast rollout**

He also declined to put a figure on the capital cost of an East Coast capital city rollout, but said: "Our capital costs are surprisingly low...We are not building a fully mobile network. In Perth we built 145 towers for a total capital cost of \$54m and one third of that was cash flow until we became cash flow positive."

He added: "It will take us 12 months from when we secure funding to rollout a network on the East Coast. It took us six months for Perth and we are in a much better position. We have full radiofrequency design we have mapped all the site, we have already started work on the new OSS/BSS."

However he added the caveat regarding a possible TD-LTE rollout that "The device ecosystem is less well developed." Choice of CPE at affordable prices will be largely determined by the scale of TD-LTE uptake in overseas markets. Huawei claims to have launched the world's first TD-LTE network in Shanghai last year, at the Shanghai World Expo, and since then to have been installing about 1000 base stations in each of five Chinese cities for China Mobile for trial networks. In November it secured the world's first commercial TD-LTE contract, with Polish telco Aero2. These networks between them will have millions of users, bringing CPE prices down.

There were growing signs of the rapidly growing momentum behind TD-LTE as the successor to Mobile WiMAX late last year. Around the time vividwireless announced plans for its TD-LTE trial,

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Energy Australia announced plans for a mobile WiMAX based smart grid network but said it would also start trials of TD-LTE.

One cloud on the vividwireless horizon is spectrum. Its predecessor paid \$95m for 98MHz in the September 2000 auctions, and this represents the bulk of the spectrum available to vividwireless today.

That spectrum was on a 15 year licence and uncertainty remains about renewal costs. Mercer said: "We are not concerned about getting renewal. The right question is what will the price be, and that is a question for the whole industry."

However much has changed since the purchase of the original licence. At that time it was far from clear just what technologies and services could exploit this spectrum - and it took vividwireless' predecessor two attempts with different technologies over four years before the Unwired service was launched.

Hence this spectrum sold for far less than cellular mobile spectrum. Today its usefulness is on a par with cellular and the cellular operators might be less than happy if a rival provider is given an advantage in the renewal price for its spectrum.

## **NZ Government rejects LTE in favour of 3G for Rural Broadband Initiative**

***The New Zealand Government has picked a joint bid from Telecom NZ and Vodafone NZ that relies on 3G technology for its \$NZ285m Rural Broadband Initiative - the rural component of its equivalent of Australia's National Broadband Network - rejecting a rival proposal that would have seen TD-LTE deployed.***

The incumbent telcos have beaten a rival consortium made up of Kordia, fixed wireless operator Woosh Wireless and fibre optic network operator, FX Networks.

Communications and information technology minister, Steven Joyce, announced that commercial negotiations had started, saying: "the joint Vodafone/Telecom proposal is based on proven existing technology, and provides the government with confidence that it can be deployed."

According to Joyce, "The joint bid involves an extension of Telecom's fibre network to deliver fixed wireless and fixed wire broadband to 252,000 customers in rural New Zealand, and the construction of 154 fibre-connected cellphone towers to enable fixed wireless broadband to rural customers as well as improved mobile coverage, and the direct connection of 719 rural schools to fibre networks."

Telecom has promised to roll out 3100km of fibre to rural schools and to upgrade 1000 cabinets on the

ends of the fibre and roll out services to customers via copper or fibre or wireless as needed.

According to a posting on the TUANZ blog, "Vodafone will add a cell tower to the ends of these fibre lengths and extend the reach of its mobile phone network deep into rural New Zealand. It will supply a fixed-wireless service for home owners which increases the quality of the link (think wireless but not mobile) and plans to build 154 new cell sites in the process.

"All of the 3100km of fibre, the 154 cell sites and the cabinets built with public money will be open access – that is, competitors can come in and put in their equipment and offer their own services off the network."

According to Joyce "The joint proposal was the only one that increases mobile coverage, and it will ensure serious competition in the last mile with many rural customers being able to choose from fixed wireless, ADSL2+ and mobile broadband."

### **Kordia hits back**

The government's decision, however, provoked an immediate and angry response from the losing side. Kordia issued a statement on behalf of the OpenGate FX consortium in which CEO Geoff Hunt said: "This decision effectively condemns rural communities to suffering from the same old duopoly services that continue to under-deliver and hold rural New Zealand hostage.

"The government had an opportunity through the RBI to provide a technology step-change in services for rural New Zealand that would have laid a future-proof and highly competitive foundation for the next 15 years."

OpenGate /FX had proposed rolling out a TD-LTE network, and Hunt took issue with the rival bidders' plans to use current 3G technology. "The 3G element of the Telecom Vodafone solution is being superseded all around the world by 4th generation wireless (4G) technologies like TD-LTE. OpenGate's proposed technology solution for the RBI was 4G wireless.

"Australia, India, China and the US are all planning to roll out this technology now, and between them will have over one billion customers. We thought this would have been a compelling sign for New Zealand if the Government wanted to keep in-step with its key trading partners. Alas, no."

The OpenGate and FX proposal promised to provide 83 percent of rural New Zealand with speeds in excess of 10Mbps; 68 percent with speeds up to 20 Mbps and 88 percent with speeds of 1Mbps or more. "Within two years, more than 80 percent of all households and schools in rural New Zealand would have had access to seriously fast broadband," it said.

Vodafone's ability to upgrade to LTE is presently constrained by lack of spectrum. Kordia quotes telecommunications consultant, Ernie Newman, saying: "Any upgrade path promised by Vodafone and Telecom is hypothetical, as it can only follow the 700MHz spectrum auctions that are planned some time before 2014. Vodafone will have to compete with other parties to buy spectrum, so unless the government has accepted their bid conditionally on the outcome of the spectrum auction, or plans to alter the auction process accordingly, delivery of any promised upgrade is not a certainty by any means."

Joyce said that negotiations would be undertaken over the first quarter of 2011 with the roll out due for completion by 2016. "I have advised officials that I am seeking contracts to be signed with Telecom and Vodafone for their separate parts of the proposal by the end of this quarter. Should that not prove possible for any reason, the Government reserves the right to re-tender for the contract."

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## Telstra gets into group buying with Yellow Pages Offers

***Telstra's directories division, Sensis, has launched a group buying site to compete with the likes of Cudo and Spreets, the latter recently sold to Yahoo!7 for an undisclosed fee.***

The site 'Yellow Pages Offers' (<http://www.yellowpagesoffers.com.au>) presently has versions localised for Sydney, Melbourne and Brisbane. It has not been officially launched but has been in operation since December.

The product has been developed in-house by Sensis rather than being simply a front-end to an existing service. Simon Betschel, group manager Yellow Pages online and mobile, told ExchangeDaily: "Yellow Pages Offers went live in December 2010 and was developed, built and launched to market by our talented team."

He declined to provide any details of a timetable for a formal launch, saying: "Yellow Pages Offers will have a dedicated sales focus as we take the new product to market in 2011 for the first time, adding to Sensis' ever expanding suite of advertising options."

Betschel claimed: "Sensis' existing relationship with Australian businesses puts us in a unique position to negotiate significant and valuable offers for Australian consumers sourced from a wide variety of businesses across a range of categories... The strength of our brand, our existing relationship with Australian businesses and our access to Australian consumers all contribute to the strength of the Yellow Pages Offers product."

## Air New Zealand to offer in-flight cellphone service

***Air New Zealand is to offer in-flight voice, text and data services from mobile phones in conjunction with Vodafone New Zealand and in-flight phone service specialist OnAir.***

The service will be available, initially, on a single, black, Airbus A320 aircraft, which commenced commercial flights yesterday 7 February. Vodafone customers will pay 80c per outbound text, \$NZ3.50/min to make a call, \$NZ2.00/min to receive a call and \$NZ20 per megabyte of data. The service will be available to customers of other operators at rates set by those operators.

The service uses Inmarsat's SwiftBroadband satellite service and, according to OnAir, it can support up to 24 simultaneous voice calls compared to five with older satellite technology. The cellular portion of the link is 2G GSM with GPRS for data.

OnAir, headquartered in Switzerland, is a joint venture between Airbus and global airline communications cooperative, SITA. It also includes technology from in-flight communications pioneer Tenzing Communications, which merged its operations into OnAir at OnAir's foundation in 2005.

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## WA Credit Society to deploy pieNETWORKS Hotspot Webphones

***Perth based public Internet kiosk developer, pieNETWORKS, has sold its Hotspot Webphones to the Police & Nurses Credit Society of Western Australia.***

"Police & Nurses members using the Hotspot Webphones in branches will be able to use the interactive kiosks to browse the Police & Nurses website for information, check their account balances, transfer funds, submit online applications and pay bills, while having the option to use the Webphone to speak with a Police & Nurses representative, pieNETWORKS said.

Initially three Webphones will be installed in Police & Nurses branches. The first of these will go into the soon to be opened Innaloo branch in Westfield's Innaloo shopping centre. pieNETWORKS says it is in discussions with a number of financial organisations in Australia and New Zealand to deploy the Webphone. Managing director Campbell Smith, said he believed the financial services sector could prove to be as important as the telco sector for product.

(The company is keeping its fingers crossed that a substantial trial with Telstra will convert to a contract for a large scale commercial rollout).

### **Terry Winters to chair Intelledox**

Telecoms industry veteran, Terry Winters - chairman of Netcomm and a founding director of Optus - has been appointed chairman of Australian software developer, Intelledox. He said: "The intelligent document creation platform, conceived and developed by Intelledox, is a 'context-aware' technology that once again proves that Australian innovation and entrepreneurial spirit lead the world. Intelledox, founded in 1991, "assists organisations to centrally manage and control the creation of repetitive, process-centric documents such as contracts, insurance forms, and customer communications across the enterprise [transforming] unstructured inputs into structured outputs, allowing the business to ensure compliance of all documentation produced, reduce human error and improve overall business efficiency."

### **Telcoinabox gets into SMB match-making**

Telecommunications wholesaler and franchisor, Telcoinabox, has launched a number of initiatives designed to accelerate consolidation among small telco service providers and ISPs. Telcoinabox CEO Paul Line, said: "With consolidation of ISPs accelerating we see an opportunity for our service providers to acquire players considered too small for the larger ISPs to approach." Telcoinabox says it has created a dedicated team to work on the initiative; has employed external business brokers to facilitate service providers' negotiations with potential takeover targets; and will provide financing to help deals get across the line efficiently. It says that the acquisition of Mobile Office by Airlie Beach service provider Voice2net was the outcome of a pilot of the strategy, and a number of other acquisitions are currently under negotiation.

### **Bing's Australian search engine gets visual user interface**

Microsoft has launched a new user interface to its Australian search engine, Bing Australia, "designed to visually enhance the search experience." It presents search results as "data-rich image galleries instead of text links, helping people make faster, more informed decisions." According to Microsoft, "When searching via a Visual Search gallery, users have the option to quickly scroll through the galleries or make one-click refinements using the quick tabs, which are specifically relevant to the type of results they are browsing. Unlike a standard image search, which delivers a library of static images from the web, Visual Search galleries cluster relevant images and information, going beyond standard web-crawled results and relying on structured data sets from trusted content partners and providers such as Wide World of Sports, Fodor's Travel Guides and Freebase. When scrolling over an image in the Visual Search gallery, users have access to additional rich content from Bing to find more information related to their search."

### **Telstra survey finds small businesses unhappy**

Telstra Business and the Council of Small Business of Australia (COSBOA) have released the results of their second annual 'Back to Business' survey, saying it shows small business confidence in the Australian economy is significantly lower than it was a year ago. "Small and medium businesses are dissatisfied with the performance of all politicians and would like to see a 'Small Business Ombudsman' established to help them tackle problems. New taxes, higher interest rates and government red tape are the issues troubling business owners the most and they're not expecting any improvement in confidence in the short term," Telstra said. Telstra Business group managing director, Deena Shiff, said: "The overall level of dissatisfaction evident in the survey is concerning when you consider small and medium businesses generate more than 80 percent of our economic growth and our economy is one of the strongest in the world." The survey - of 325 small businesses - was conducted nationally by StollzNow Research in December 2010.

### **ACMA reprimands two more spammers**

The ACMA has issued two formal warnings to companies that have failed to comply with the Spam Act: SNX Pty Ltd - trading as Premier Auto Wholesale - and Home Loan Selection Services. SNX has been given formal warnings for sending SMS messages to mobile phone numbers obtained from online advertisements for used cars. The ACMA found that the numbers in the advertisements were accompanied with a statement that marketing messages were not welcome. Home Loan Selection Services failed to demonstrate that it had consent to send emails promoting its business.