

# SAMENA TRENDS

EXCLUSIVELY TO SAMENA TELECOMMUNICATIONS COUNCIL'S MEMBERS

BUILDING DIGITAL ECONOMIES

A SAMENA Telecommunications Council Newsletter

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Exclusive Interview

**Khaled Al Kaf**

Chief Executive Officer  
Mobily

## Improving the Wholesale Proposition - Roaming Challenges

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# EDITORIAL



## "Elephants hanging around"

The Internet is rapidly changing the way we live and the way we do business, as well as how we spend our time. We "click" on the Internet to order programming material, we "click" on the network to get our news and for our entertainment. The purposeful nature of our dedicated interest to seek out sites on the Internet to gain entrance to a virtual world is genetic in the human race, given our curiosity.

What if one day, even for one day, there was no Internet? What if the rules of engagement made the Internet a vehicle where costs superseded benefits to those that provide it? What if the Internet created an environment which became untenable along the lines of cyber security? What if the Internet ended market based economics, where markets traded amongst themselves negotiated market driven costs and were replaced by mechanisms agreed upon by out of reach theoretical based bureaucrats whom seek an environment not so driven by the economy but rather on simply governmental interests not so attached to supply and demand economics.

We are facing an issue which if not addressed by all stakeholders in our environ, the Internet as we know it, would suffice to say, change literally in the way it was offered and sold and used. The conundrum that would potentially exist surely would not be one which would be open to free market economics. Multiple lateral forces would create a cause and affect which could greatly hinder investment in Broadband, would hinder how we use the network and what anyone as a consumer would be able to access.

This year, Internet governance is looming large as one of the most prevalent issues facing the industry we serve, which for the most part stands as a pillar of strength in a not so stable world. Issues such as the International Telecommunications Regulations (ITRs), which last were changed in 1988, are now up for negotiation at the end of the year at the ITU's WCIT

meetings here in Dubai in December this year. Net Neutrality is another highly potential affect, which if positioned incorrectly, could highly hinder the investment in the development of high speed Broadband network infrastructure, both fixed and mobile worldwide. Additionally, the application of the Internet and how it is used, with respect to content is an area of very strong importance this year, given the growth of video, gaming, social networks on the Internet and how the cost of the infrastructure of the Broadband networks is climbing on a not so linear basis by the month. Inequities in the use of the Internet regarding revenue and distribution of who use's the network must be addressed. Are the people who are using the Internet paying their fair share? Are those that prosper over the use of the Internet who cause potential congestion and force unpaid for investments, paying their fair share?

These "Internet Governance" issues are paramount and of highest priority to SAMENA's membership. This area of interest, if not addressed on a priority basis, could substantially change the way we do business today. These issues are without question; along with the lack of wireless spectrum in the region is represented metamorphic ally by the "Elephant in the room".

Truly Yours,

**Thomas Wilson**  
CEO & Managing Director  
SAMENA Telecommunications Council



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EDITORIAL





## TOP REGIONAL & MEMBER NEWS

### Umniah Picks Telecom Enterprise to Provide Mobile Adverts

Jordan's operator Umniah said it has signed an exclusive agreement with Telecom Enterprise (TE) under which TE will provide advertising services to its customers. The package is tailored to meet the needs of Umniah's corporate clientele and will include WAP mobile advertising services. This service aims to keep Umniah subscribers abreast of the latest services and promotions offered by various companies in the market. TE has previously supplied Umniah with its corporate client menu service. The advertising service aims to keep Umniah subscribers abreast of the latest services and promotions offered by various companies in the market. Umniah's Mobile Advertising service provides advertisers with quick, measurable results through detailed and reliable reporting and allows for greater brand awareness. Advertisers can also send attractive, personalized ads on promotions, products and services to subscribers by using Umniah's smart technologies. Umniah's CEO said that they are keen to provide to our customers with innovative and cutting-edge services that ensure the highest levels of proliferation.

### Huawei Unveils Giga DSL Prototype

Huawei has launched industry's first Giga DSL prototype. The Giga DSL system employs TDD to achieve a total upstream and downstream rate of 1,000 Mbps over a single twisted pair. This adds to the capabilities of the company's SingleFAN broadband access platform. While 100 Mbps ultra-broadband access can be made available relatively quickly by using legacy copper-line resources, using DSL technology to provide 1,000 Mbps bandwidth within 100 meters of twisted pairs is much more complex. By using a low-power spectral density in-signal transmission, Huawei's Giga DSL prototype reduces radiation interference and power consumption. This in turn provides a total upstream and downstream rate of 1 Gbps within 100 meters and 500 Mbps+ within 200 meters, making it a Cost-effective option for telecom operators building ultra-broadband access networks. In 2011, the ITU-T set up a G.fast project team dedicated to formulating new standards for ultra-speed access at short distances aiming to achieve a 500 Mbps access rate per twisted pair within 100 meters. Huawei has become a major technical contributor, having recently worked to incorporate TDD-OFDM as a G.fast modulation mode.

## Qtel Launches Optical Network for High Bandwidth Users

Qtel Business Solutions (QBS) launched the WaveLink service, an innovative new network solution that will allow customers with high bandwidth requirements to aggregate applications on one dedicated, highly secure optical network. The solution offers failure-resistant architecture and the ability to carry traffic, regardless of protocol or bandwidth requirements. WaveLink's supporting applications range from basic voice and data services to virtualization and storage area network applications, allowing customers to manage traffic over one network. The new service also provides a powerful established backbone with the flexibility of client-specific tailored protocols and set protection levels to suit individual companies. Qtel's WaveLink provides a complete end-to-end solution offering bandwidths of 1Gbps, 2.5Gbps or 10Gbps, 40Gbps going all the way up to 100Gbps.

## PTCL Launches EVO Recharge and Win Extravaganza

Pakistan Telecommunication Company (PTCL) has launched a win-back initiative for EVO customers who can now recharge, get bill waivers, and win prizes. EVO customers, who have not recharged their prepaid device or paid EVO post bill since 1 December 2011 or earlier, can now recharge and get bill waivers and as well as win an EVO Tab, Cloud or Nitro device in a lucky draw being held on 15 February 2012. This offer is valid for both prepaid and postpaid customers. Senior Executive Vice President Commercial said that PTCL is determined to bring the most cutting edge innovative solutions and technologies to its customers at their convenience. Moreover Executive Vice President Wireless Business said that PTCL has taken this initiative to reward our devoted customers. He further added that PTCL will not only consolidate EVO usage among our valued customers but will also strengthen PTCL's bond with them.

## Ufone Proudly Introduces BlackBerry Curve 9380

Ufone proudly introduces BlackBerry curve 9380, another industry first BlackBerry Launch in Pakistan. It is equipped with the new BlackBerry OS 7.0. It feature a powerful 806 MHz processor with built in 3G, GPS, Near Field Communication(NFC), Wi-Fi, Bluetooth and, BBM. Time and time again Ufone has proven to be a pioneer in presenting the latest technology to its customers. Ufone has been the first company to introduce various BlackBerry smart phones for the first time in the Pakistani market, such as Bold 9000, 9700, 8780 and 9900, Torch 9800, Curve 8520, 9300 and 9360. Chief Marketing Officer at Ufone said that it was very important for the organization to ensure that it lived up to the expectations of its customers. By launching this marvelous new BlackBerry device, Ufone has reaffirmed its promise to offer the best in innovation and technology. BlackBerry Curve 9380 is priced at Rs 29,999.

## Alcatel-Lucent to Help APT Expand Its 3G Service

Asia Pacific Telecom will be taking the help of Alcatel Lucent to expand its 3G service to cater to growing demand for data, according to a press release. Under its partnership with APT, Alcatel Lucent will be supplying its first wireless network to the Internet service provider. The company will also replace equipment APT had purchased from other telecom equipment vendors. Alcatel Lucent will also provide APT access to its enter light Radio portfolio to help it expand its network and differentiate its products from competitors. President of Alcatel-Lucent's Asia-Pacific region said that their long history of working with Asia Pacific Telecom means they understand the company's needs and those of its customers. Moreover he added that they are excited now to be able to help transform its wireless offer, leveraging our leading 3G CDMA and LTE solutions and our IMS portfolio.

## Qualcomm Promises Better GPS Performance in Future Smartphones

Qualcomm is working on its new Snapdragon S2 and S3 family mobile processors that sport a dual-core location feature for smartphones. Qualcomm flaunts the dual-core location feature in the Qualcomm S2 and S3 mobile chips that connect with usual network of 27 GPS satellites and also GLONASS network of 24 satellites. Upcoming Qualcomm Snapdragon S4 processors will also offer the GPS and GLONASS Network connectivity. Usually the Global Positioning System Chip in the mobile phones make the best of the usual network of 27 GPS satellites and needs unobstructed view of at least four satellites. But with the new Qualcomm Snapdragon S2 or S3 mobile processors, the GPS chips can connect to the usual 27 network of GPS satellites and the second network of Global Navigation Satellite System (GLONASS) which has 24 satellites operated by the Russian government. Only selected Snapdragon chips bearing smartphones can access both GPS network of satellites at the same time.



## **Khaled Al Kaf**

Chief Executive Officer  
Mobily

Mr. Khaled Al Kaf became the chief executive officer and managing director of Etihad Etisalat (Mobily) in July 2005, after spending a little over a year with the company as a project manager.

Al Kaf started his professional career in 1986 with Emirates Telecommunications Corporation (Etisalat), working closely with Alcatel and Fujitsu on software development. Mr Al-Kaf holds a BSC from George Washington, and worked with Etisalat in UAE for 17 years. As general manager of Etisalat's Network Services division, he played a definitive role in building a state-of-the-art third generation mobile network in the United Arab Emirates.



**Q. Please tell us about your leadership and visionary roles as the CEO of Mobily.**

**A.** At Mobily, we work as one a big family where we share our hopes and aspirations, and where we stand today, I assure you is a result of combined efforts and that is why we cannot give the credit to one person only, and for that, I thank them all for their cooperation with me to put Mobily on the right track, the track which we all aspire.

**Q. How do you look at the whole sale market, keeping in view the growing international traffic?**

**A.** The wholesale sector is a promising sector with lots of spurs that will reflect on companies significantly, especially with the availability of so many choices that fortify this sector's growth. Telecom Companies pay special attention to this sector and are always present in conferences and seminars to discuss businesses' opportunities and the forthcoming challenges that will rouse as a result of investing in this sector.

**Q. Keeping in view the declining ARPU, what is the significance of international roaming for the operators' community, particularly in the SAMENA region?**

**A.** For Telecom companies, International roaming is one of the many priorities which they are obliged to offer their subscribers, in order to keep them connected wherever they are, and that in turn will have a good impact on subscribers when they become aware of how keen their company is to offer them suitable offers that will keep them connected, at competitive prices. For that matter, Mobily has signed agreements with operators from around the world while striving to keep its rates as competitive as much as possible.

**Q. How do you look at the regulatory environment in regional markets? What steps should be taken in order to address ICT policies?**

**A.** The regulatory environment in the region is quite encouraging and supports competition amongst companies with transparency, creating an attractive investment environment in the region. As for the second part of your question, I believe that telecom companies will face difficulties when addressing the wrong practices due to the rapid development in communications and information technology, but will also limit these difficulties by offering appropriate services and offers for all society segments especially advanced alternative solutions that will meet the users' needs and desires.



**Q. Do you share the thought that international data roaming has a promising future in the SAMENA region, most importantly in the Middle East?**

**A.** With all this saturation in voice services, the data sector is considered to be an appealing and promising sector especially when data penetration rate is not so high in many countries, and that is why at Mobily, we provide our subscribers with low roaming prices for internet usage abroad, a service which was very welcomed by subscribers.

**Q. With the progress of broadband and content industry and the emergence of mobile apps, do you agree that digitization would be the key driver of sustainable economic growth in the region?**

**A.** Certainly I agree with you, and that is why we have given this aspect much attention and it is evident in our exposed strategy when we were the first to launch the 4G (TD-LTE), and how we are constantly working on reinforcing our infrastructure with the latest technological advancements in the region. Not to mention, we were also the first to launch a platform which supports the Arabic Content and its applications on the internet and that, with god's blessing, will bring us the continuous growth we seek.

**Q. How do you aim to handle the sharp rise internet demand in Saudi Arabia?**

**A.** At Mobily, we are constantly developing our network with the latest technology in the world, not to mention, we also reinforce areas with intensive Internet usage, by adding more advanced and developed networks to it which reduces the pressure on the overall network. In addition to that, we offer special deals and a variety of options that suit all segments of the community; at competitive prices.

**Q. With the growing competition in the telecoms sector, how is Mobily planning to be the market leader in terms of international roaming as well as wholesale?**



**A.** We have the benefit of collaboration with all operators in the world, and we are in constant search for public interest and the positive yield on the telecommunications sector in general. With regards to wholesale, we have various options that suit all operators and enhance our leadership in the telecommunications sector in the Kingdom. Such services include, the Data Center and Site Sharing services, the IP and IPLC Transit services, International voice calls' transmission services, multi-protocol exchanges (MPLS), and many other services that have earned the trust of many international operators where the last collaboration was with Kuwait's Ministry of Communications, when it signed an agreement to connect Mobily's National Optical fibers' network with the ministry, via a terrestrial cable at the two countries' crossing border.

**Q. Please tell us about your collaboration with Google.**

**A.** We have a distinctive partnership with Google and as a result, we signed an agreement for joint cooperation between the two companies in August, last year, where at the time, we launched the Google connect bundle. We have also previously participated actively in the "Saudi Google Days" forum, where we provided the forum with high-speed internet services by harnessing all the technical capabilities for them to fully benefit from our high reliability network; and we are still seeking to exploit this partnership for the benefit of both parties.

**Q. Keeping in view the huge number of international travelers to KSA every year, as well as the foreigners working in the Kingdom, what is Mobily's strategy to get the maximum benefit out of this potential segment?**

**A.** At Mobily, we offer great packages devoted for the Kingdom's visitors. We also have packages designed for residents as well, packages that commensurate with their interests and satisfy their desires. Other than that, we offer special deals on international calls from time to time; and over and above, we have designated sales outlets in all locations that are frequently visited by residents and visitors.

**Q. Please tell us about Mobily's 4G services, how many cities are being covered and what are the plans of further expanding the coverage?**

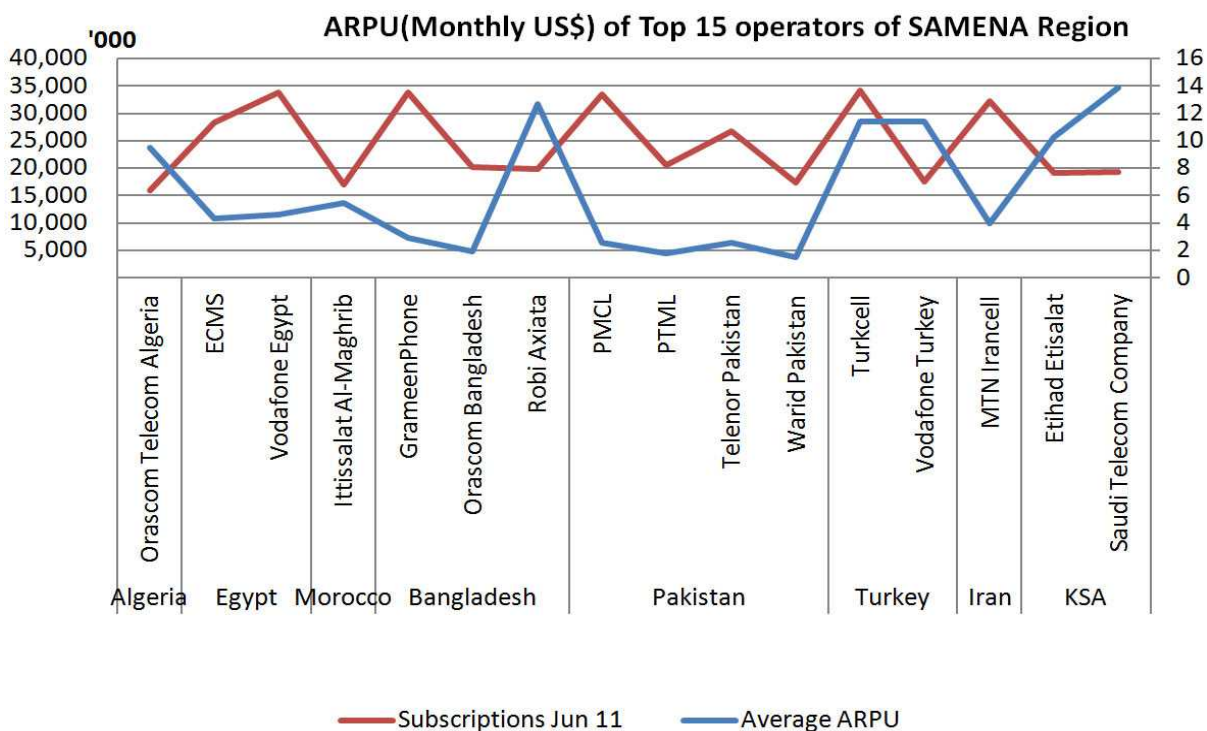
**A.** Thankful to god's blessing, Mobily was a pioneer in offering the fourth generation (TD-LTE) service in the region, an achievement we consider to be an addition to Mobily's previous accomplishments. The 4G (LTE) technology is the advanced version of the wireless technology which provides very high-speed internet connection especially for the new VAS devices which require such high-speeds like the IP-TV, live broadcasting, virtual meetings, online gaming and many other services that rely on high-speed internet. As for coverage, as a first phase, we covered each of Najran, Jizan, Ras Tanura, Al grayat and Aldodame, and we are currently working on finishing coverage of the remaining cities in the Kingdom with this advanced network.

**Q. How do you position Mobily in future?**

**A.** At the forefront of Telecommunication Companies in the region, driving the telecommunications sector both in services and technologies.



## ARPU(Monthly US\$) of Top 15 operators of SAMENA Region



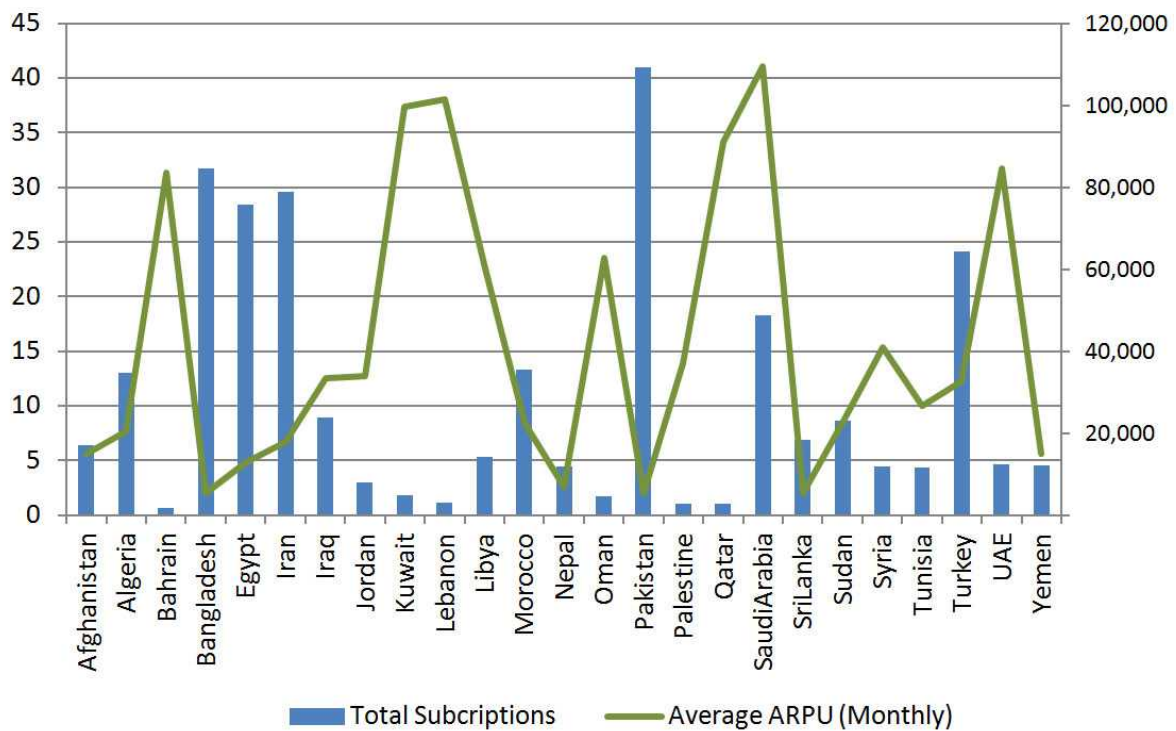
**Research Note:** Ranking done by SAMENA based on data sourced from Informa, Wireless Intelligence and published news. Based on the available data top 15 operators in terms of monthly ARPU are mentioned in the graph. KSA appears to have the highest average ARPU in Middle East while Turkey has the second highest average monthly ARPU in the Middle East. Both, Vodafone and Turk cell have almost the same monthly ARPU that is 11.4 US\$. KSA's Etihad Etisalat has a monthly ARPU of 10.3 US\$ while Algeria's Orascom Telecom has a monthly ARPU of 9.5 US\$.

In terms of total subscriptions Turkey's Turk cell has the highest number of subscriptions making it the number one operator in terms of subscriptions in the given graph. Bangladesh's Grameenphone is at number 2 while Pakistan's PMCL (Mobilink) is at number 3.

**Image Source:** SAMENA Telecommunications Council

**Data Source:** Informa, Wireless Intelligence and Published News

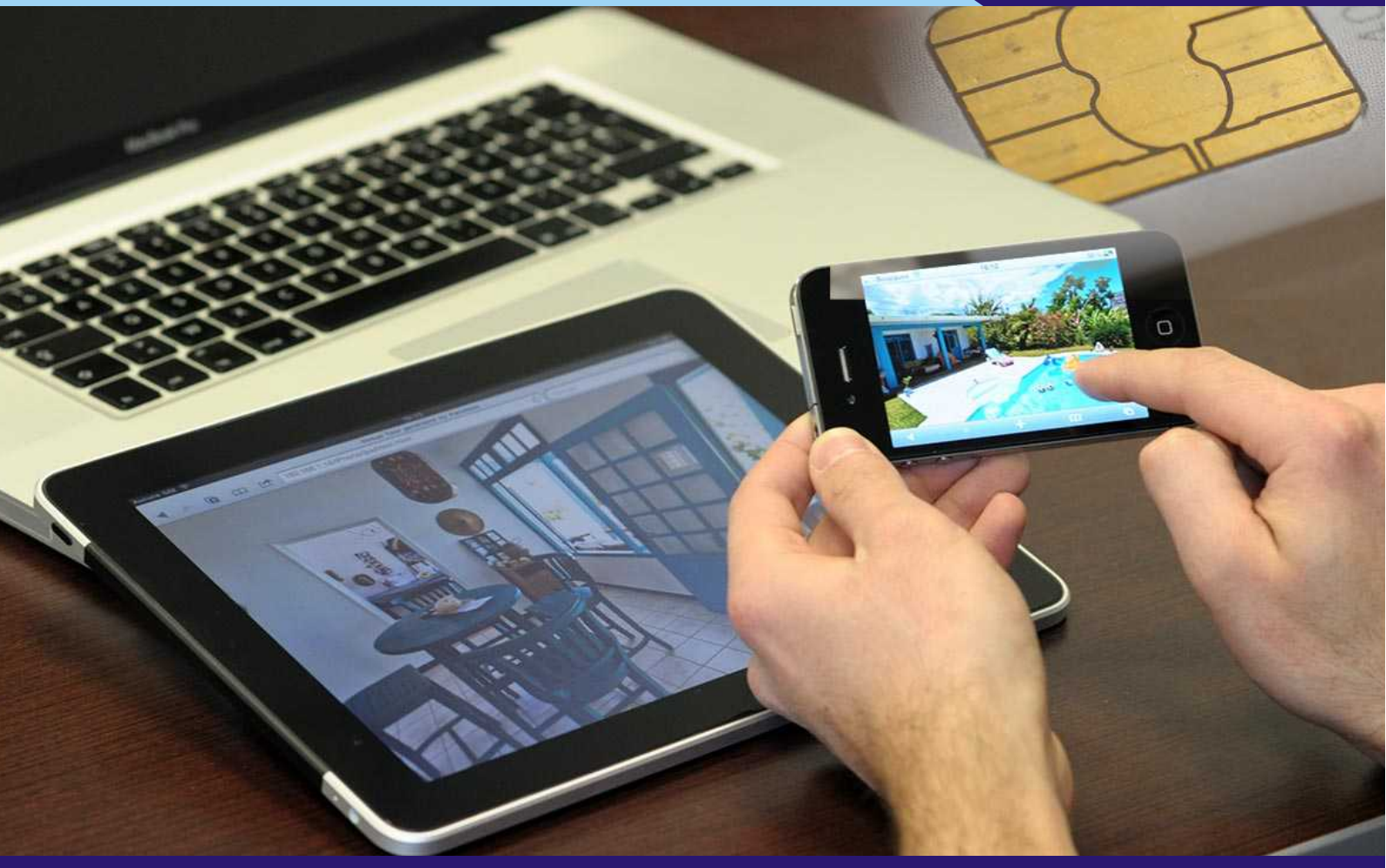
## SAMENA: Average Monthly ARPU (US\$) vs. Total Subscriptions ('000)



**Research Note:** Ranking done by SAMENA based on data from Informa, Wireless Intelligence and published news. Based on the available data Pakistan has the highest number of total subscriptions in the region with Bangladesh at number 2 and Iran is at number 3. Bahrain, Palestine and Qatar have the lowest number of total subscribers out of SAMENA's 25 countries respectively. Bahrain and Qatar although having lowest number of subscribers in the region are among the top 5 in terms of mobile penetration. Also there seems to be a link with increasing number of subscribers show decreasing ARPU showing pressure from increased subscribers to decrease access rates for the users and thereby lower ARPU.

**Image Source:** SAMENA Telecommunications Council

**Data Source:** Informa, Wireless Intelligence and Published News



# REGULATORY NEWS

## Nigeria to Introduce Number Portability from August

The Nigerian Communications Commission (NCC) has said that it expects the introduction of number portability (NP) to take place from August this year. The regulator announced it had selected a consortium of three companies Interconnect, Saab Grintek and Telcordia to manage the implementation of NP, which enables subscribers to retain their phone numbers when they switch service provider. The consortium's license took effect as of January 2012; within six months of this date set up it is required to set up and introduce the NP platform, ahead of a two-month testing period. Tender was opened by the NCC in June 2010 for an administrative services provider to facilitate the process of number porting, but in early 2011 the commission said it had decided to wait for the conclusion of the SIM registration process before implementing NP. The deadline for the country's mobile subscribers to register their SIMs expired on 28 September 2011, but the NCC subsequently extended the registration deadline for a 'limited period' to allow any remaining subscribers to register their details.

## OFTA Consults on Spare LTE Spectrum Auction

Hong Kong's Office of the Telecommunications Authority (OFTA) has issued a consultation paper on its proposals for releasing a total of 50MHz of paired spectrum in the 2500MHz-2690MHz band, including 15MHz left over from a 2009 wireless broadband license auction via which four mobile operators obtained frequencies for Long Term Evolution (LTE) services. OFTA believes that there will be competing demands for the bandwidth and therefore proposes an auction process, and to divide the available spectrum into five frequency bands, each with a bandwidth of 2x5MHz, on a technology-neutral basis, with no spectrum cap, under 15-year licenses. The regulator proposes to require each successful bidder to roll out its network with a minimum coverage of 50% of the population as regards mobile services, or, alternatively a minimum coverage of 200 commercial and/or residential buildings if launching fixed services, within five years from the issue of the license. Comments on the consultation paper are invited until 29 February 2012.

## BTRC Expects to Earn US\$ 0.97 Billion through 3G Auction

The Bangladesh Telecommunication Regulatory Commission (BTRC) is expecting to earn more than BDT 80 billion through a 3G spectrum auction by June 2012. The regulator is hopeful that it will realize the money from the mobile phone operators, BTRC chairman told government news agency Bangladesh Sangbad Sangstha (BSS). He said the BTRC has almost completed the process of appointing a consultancy firm to finalize the guidelines and policy for auctioning off the license. The BTRC chief said that they have already evaluated the market price for spectrum in different countries including neighboring India. He said India earned USD 14.6 billion through a 3G auction. Five consultancy firms submitted offers in the pre qualification bid. Of them, two were pre qualified and they have submitted their financial and technical offers to the BTRC. They are Nera Economic Consulting of the US and Price Water house Coopers of the UK. The BTRC chairman said the consultancy firm will finalize the process of auctioning 3G licenses to ensure transparency and accountability.

## Pakistan to Auction Frequency Spectrum for Mobile Broadband (3G/LTE)

Pakistan Telecommunication Authority (PTA) is planning to Auction Frequency Spectrum for Cellular Mobile Broadband Services in March this year. The license for this service will be technology neutral allowing to deploy any technology including 3G / 4G / LTE / any other emerging technologies. The auction process will be overseen by a joint professional group comprising of public sector stakeholders, including representatives of different ministries, PTA and FAB among others. One cellular mobile license will be auctioned in 800 MHz band while spectrum for technology neutral mobile broadband service (3G, 4G, LTE) will be auctioned in the 1900/2100 MHz bands. This auction is considered to be a decisive step towards broadband proliferation for it will take the broadband penetration to market to the next stage and to provide services capable generating more revenues. The introduction of 3G will bring a revolution in the Pakistani telecoms market with the introduction of mobile broadband service by cellular thus opening a whole new landscape of applications for end users, and opportunities in terms of revenue streams for operators. . It is believed that the country has a strong business case in terms of 3G.

## IctQatar Plans to Issue IT Security Guidelines

IctQatar is to issue a set of policies and guidelines to bring IT security measures up to international standards. They are aimed at promoting best practices in risk management, change management and information and security governance structure, among other areas an IctQatar official was quoted as saying they will be tailored to how people in Qatar communicate and use their IT systems. There will be a certification process for entities wishing to be accredited by IctQatar, too. Manager of Government ICT Mission Assurance at IctQatar said that the software controlling Qatar's infrastructure has so far remained uninfected by malicious programmes. He added that the policies and guidelines are mostly aimed at the government sector but are not restricted to it. Another official said cyber attacks on social network and e-mail accounts are a regular occurrence in Qatar.

## NCC Starts Nigerian Spectrum Audit

The Nigerian Communications Commission (NCC) has commenced a nationwide audit of spectrum allocation, the Guardian reported. The aim is to ensure that in 2012, Nigeria's telecommunications sector expands and can attract more investment. The newspaper said poor spectrum management and shortages of these finite resources has slowed down the drive towards rural broadband expansion. The audit aims to determine whether some spectrum licences are not being used, whether any spectrum is being used illegally and whether or not some spectrum license holders have breached the terms of their licences. The Guardian said the NCC would be prepared to revoke misused licences and re-issue them to investors who are ready to utilize them to do business, especially to expand broadband penetration and create more jobs.

## SIM Registration to Begin in Uganda on 1 March 2012

The Uganda Communications Commission (UCC) will begin enforcing the registration of new and existing mobile phone users on 1 March this year. Customers of wireless services will be given one year to register their SIM with their mobile provider, backed-up with a national identity document such as a passport or driver's license. Owners of multiple SIMs will need to have all of their lines registered, and those without the required documents will be able to have a family member register on their behalf. SIMs unregistered by the 1 March 2013 cut-off point will be deactivated. The registration drive aims to reduce phone based crime, and follows similar projects throughout East Africa in Kenya, Rwanda and Tanzania. Uganda had 16.1 million wireless customers at the end of September 2011, representing 47.4% of the population.

## French Telecom Regulator Awards 800 MHz Licenses

French Telecom Regulator ARCEP will award licenses to use the 800 MHz frequency band to SFR, Bouygues Telecom and France Telecom. ARCEP will issue the winning applicants with licenses to use spectrum in the 800 MHz frequency band. Bouygues Telecom, SFR and Orange France received frequencies (10 MHz duplex) in Block A, Blocks B + C and Block D respectively. These frequencies are to be used in the deployment of 4G LTE mobile networks which will provide ultra high speed access to the mobile internet. They will allow operators to offer maximum data rate of at least 60 Mbps. ARCEP performed its selection based on the three criteria listed in the call for applications: a regional development commitment, a commitment to host mobile virtual network operators (MVNOs) and the financial amount bid for the frequencies. The selected operators are subject to a very ambitious roadmap whose ultimate target is coverage of at least 99.6% of the population of mainland France.

## Six Firms Secure ITC Licenses for Bangladesh

The Bangladesh Telecommunications Regulatory Commission (BRTC) has issued licenses to six companies for the laying of international terrestrial cables (ITC), in hopes of improving the country's international connectivity. The licenses were handed to Novocom Limited, Asis-AHL JV, BD Link Communication Ltd, Mango Teleservices Ltd, Summit Communications Ltd and Fiber Home Limited. According to BD news 24 the license holders have to begin the cable laying process by July this year. The companies have each paid 20 million Taka (US\$243,840) in license fees to the BRTC. Bangladesh is currently served by a single submarine cable, the SEA-ME-WE-4. The license issues are the BRTC's latest efforts at improving communications infrastructure for the country. The country's 3G spectrum auctions are slated for June this year.

## Romania to Hold 900MHz, 1800MHz Tender in H1 2012

Romania's telecom regulator ANCOM decided to open for tender in 2012 all the radio frequencies available in the 900 and 1800 MHz bands, which are currently used by Cosmote, Orange and Vodafone. The radio spectrum rights of use in the 900 MHz and 1800 MHz bands will be awarded through a competitive selection procedure. The tender will allow new competitors to enter the Romanian market. The tender, to be designed to ensure equal, non-discriminating, proportionate and transparent conditions for all the operators interested in activating in the Romanian market, will take place during the first half of 2012. ANCOM will take all the necessary steps in order to free and open for tender the 800 and 2600 MHz bands, which currently are partially used by the Ministry of National Defense. It has also decided to extend the licenses of Orange and Vodafone until 31 December 2012, while the new licenses will enter into force on 1 January 2013 for the bands currently owned by Orange Romania and Vodafone Romania and on 6 April 2014 for the bands currently owned by Cosmote.



## RECENT POLICY & REGULATORY DEVELOPMENT

### Jordan

The Ministry of Information and Communications Technology (MoICT) solicits comments on the proposed Statement of Government Policy for the Communications, Information Technology, and Postal Sectors 2012 (2012 Policy Statement). The 2012 Policy Statement will replace the Statement of Policy for the ICT and Postal Sectors that now is in effect and that was adopted in 2007 (2007 Policy Statement). The Ministry believes that a new Policy Statement is required because of technological advancements, changes in the ICT and Postal Sectors, and changes in the market, regulatory, economic and social environment in Jordan, that have occurred since 2007. It is planned that the proposed Policy Statement will be presented to the Council of Ministers for review and approval early 2012 and that it will take effect in 2012. As part of transparent process, the Ministry invites comments from interested parties on the proposed 2011 Policy Statement. January 8, 2012 has been fixed as the deadline for submitting comments. (December 12, 2011)<sup>1</sup>

## SAMENA Country Updates

### Afghanistan

#### Board Chairman: Mr. Abdul Wakil Shergul

[Afghanistan Telecommunication Regulatory Authority (ATRA)]  
[w.shergul@atra.gov.af](mailto:w.shergul@atra.gov.af), [www.atra.gov.af](http://www.atra.gov.af)

The Ministry of Communication and Information Technology (MCIT) has issued a request for expressions of interest to provide consultancy services regarding fiber-optic backbone (OFC) open access policy and tariff regulation. The ministry is requesting assistance in determining policy that will ensure 'competitive and transparent access to the high quality capacity available on the national OFC backbone' and establishing a regulatory framework to monitor use of the national fiber-optic

backbone. The consultant will be called upon to hold public consultations with stake-holders and create a tariff calculation methodology for services based on the results of the consultations. To protect use of the OFC, a set of rules and regulations will also be drawn up and enforced by the telecoms watchdog, the Afghan Telecom Regulatory Authority (ATRA). The MCIT is hoping that, with a robust framework in place for the use of the backbone, it will achieve its goals of increasing population penetration of internet connectivity from 3% to 10% by 2016, and of telephone services from 55% to 80%. (December 8, 2011)<sup>2</sup>



## Algeria

### Chairperson: Ms. Zohra Derdouri

[Regulatory Authority for Post & Telecommunication (ARPT)]  
[info@artp.dz](mailto:info@artp.dz), [www.artp.dz](http://www.artp.dz)

The Algerian government has announced the beginning of 3G mobile services in the first half of 2012, rather than the first quarter, as previously expected. ICT Minister told media that his office wants 3G mobile communications services to become available to citizens at the end of the first half at the latest, and is working to that end. He added that Telecom Algerie's Mobilis service was improving qualitatively in terms of revenue and services. The mobile operator also working on upgrading and strengthening its 2G network, but was mainly focused on preparing for 3G. Algerian telecom regulator launched a tender in September to license the country's first 3G operator. (December 15, 2011)<sup>3</sup>

## Bahrain

### Chairman & General Director: Mr. Mohamed Bubashait

[Telecommunication Regulatory Authority (TRA)]  
[contact@tra.org.bh](mailto:contact@tra.org.bh), [www.tra.org.bh](http://www.tra.org.bh)

The Telecommunications Regulatory Authority (TRA) has issued a consultation amending some provisions of the regulation on notifications of international roaming tariffs by SMS requiring mobile licensed operators to notify consumers of the tariffs for international data roaming. The proposed amendments to the regulation will empower consumers to make informed choices when it comes to using data roaming. Consumers' Groups have been requested to review the proposed amendments to the regulation and provide their comments to be included in the final regulation. TRA proposes to add new provisions to the regulation to inform consumers of the maximum tariff for sending and receiving data while roaming. Interested parties can provide their comments by no later than December 28, 2011. (December 10, 2011)<sup>4</sup>

The Telecommunications Regulatory Authority (TRA) said it had issued a draft order setting new charges in a bid to improve competition and lower prices to consumers. TRA said the draft order sets "fair and reasonable charges" for access and interconnection services offered by Batelco to its rivals in the Gulf kingdom. TRA's Director General, said in a statement that a sensible wholesale offer to other licensed operators (OLOs) is a key regulatory instrument supporting competition and choice in the telecommunications sector. The charges set in this draft Order are evidence-based, fair, reasonable and non-discriminatory and allow Batelco to earn a fair and reasonable return on its investment. Following the review of Batelco's reference offer submission, the TRA was not satisfied that the proposed charges were in line with the Telecommunications Law, the statement added. Consequently, the TRA has issued a draft order setting revised charges, which now go out to public consultation. Under the new draft, charges for bitstream and wholesale DSL will decrease by between 2-26%. Interconnection links charges will fall by between 50-70%

while charges for domestic leased lines are set to decline by up to 40%. The proposed substantial reductions of key wholesale services will ultimately translate into better propositions at the retail level for retail customers and businesses. (December 8, 2011)<sup>5</sup>

## Bangladesh

### Chairman: Maj. Gen. Zia Ahmed

[Bangladesh Telecommunication Regulatory Commission (BTRC)]  
[btrc@btrc.gov.bd](mailto:btrc@btrc.gov.bd), [www.btrc.gov.bd](http://www.btrc.gov.bd)

To legalize VoIP calls the Bangladesh Telecommunication Regulatory Commission (BTRC) made a draft guideline for issuing 'international call transmission' and 'VoIP (Voice over Internet Protocol) Service Provider (VSP)' license. The VSP guideline is being reviewed by the Prime Minister and hopefully will be approved this week and will create opportunity for the interested parties to apply for licenses as the IP calling is prohibited under the current telecom law. According to BTRC, the country receives international calls of about 55-60 million minutes a day. Of them, calls of about 50 million minutes come from legal and the rest from illegal transmission. Beyond VSP license, the government has planned to offer 'international call transmission' licenses in three categories - International Gateway (IGW), International Connection Exchange (ICX) and International Internet Gateway (IIG). Currently, four IGW, two IIG and two ICX companies are operating in the country. BTRC sources said license fee, revenue sharing and performance bank guarantee fee will be reduced from the existing amount, but the incoming call rate for international calls will be increased. (December 8, 2011)<sup>6</sup>

The Bangladeshi government has formed a new committee to investigate illegal voice-over-internet protocol (VoIP) call termination, which it suspects is behind a 'huge' drop in international incoming call revenues of state-run Bangladesh Telecommunications Company Ltd (BTCL). The six-member committee, led by the Bangladesh Telecommunications Regulatory Commission (BTRC), will investigate whether any international gateway, interconnection exchange or international internet gateway is linked with unlicensed VoIP call termination and if so, what to do to combat the practice. A government official told that 'most' of the illegal calls were received by telephone numbers on the network of state-owned mobile operator Teletalk, and that BTCL's international gateway was being used for their routing. BTRC revoked the licenses of five out of 13 fixed line providers in the country for involvement in illegal VoIP call provision in May 2010. (December 2, 2011)<sup>7</sup>

## Egypt

### Executive President: Dr. AmrBadawi

[National Telecommunication Regulatory Authority (NTRA)]  
[info@tra.gov.eg](mailto:info@tra.gov.eg), [www.ntra.gov.eg](http://www.ntra.gov.eg)

Official figures by the Egyptian government have shown a 25.76% growth in the number of mobile phone subscriptions in the country to 80.39 million in the year to September. In September 2010, Egypt's three mobile

operators, Etisalat Egypt, MobiNil and the Egypt unit of Vodafone, had 63.93 million subscriptions. (December 28, 2011)<sup>8</sup>

MobiNil has applied for a license to set up an international gateway and is currently negotiating with the National Telecom Regulatory Authority (NTRA) regarding the fee for such a concession. (December 20, 2011)<sup>9</sup>

With mobile phone transforming from a simple communication tool to an all-powerful infotainment and utility tool, mobile operators are now shifting from Voice to Value-Added and Data Services in Egypt. The Value-Added Services (VAS) subscriber base in Egypt is likely to increase at a Compound Annual Growth Rate (CAGR) of 8.46% to reach 93.5 million by 2017. Egypt had a VAS penetration of 77% as of June 2011 and is likely to reach 92% by 2017. The Egyptian market has been witnessing an explosive growth in its subscriber base in recent years due to increased affordability, innovative, and price-competitive services offered by the mobile operators, and enhanced features like 3G support. With declining voice revenues, VAS is going to be a brand differentiation and revenue generation tool for the operators. The relaxation in Government policies, accessibility to high-speed data services, and increased availability of innovative applications and services are expected to drive the growth of the Egyptian VAS market. (December 14, 2011)<sup>10</sup>

#### Iran

##### **Minister of Communications & Information Technology: Dr. Reza Taghipour**

[Communications Regulatory Commission (CRC)]  
[info@cra.ir](mailto:info@cra.ir), [www.cra.ir](http://www.cra.ir)

No recent developments, including regulatory actions, issuance of licenses or policy frameworks, have been made public in the news/newsletters or on the regulator's website.

#### Iraq

##### **CEO: Dr. Buhan Shawi**

[Communication & Media Commission (CMC)]  
[enquiries@cmc.iq](mailto:enquiries@cmc.iq), [www.cmc.iq](http://www.cmc.iq)

The Communication and Media commission (CMC) arranged a symposium on satellite services. Different satellite services and appropriate procedures in granting VSAT and ISP licenses in a way that insures the optimum organization to register the current and planned stations were discussed. (December 11, 2011)<sup>11</sup>

#### Jordan

##### **Chairman & CEO: Mr. Fadi Kawar**

[Telecommunication Regulatory Commission (TRC)]  
[fadi.kawar@trc.gov.jo](mailto:fadi.kawar@trc.gov.jo), [www.trc.gov.jo](http://www.trc.gov.jo)

The government said it does not have the necessary financial resources to complete the National Broadband Network project. "Not completing the network will seriously harm our competitiveness as a nation and violate our people's right to effectively access knowledge and benefit from its unlimited potential," Minister of Information and Communications Technology Bassem Roussan said. The

inability to finish the project will affect Jordanians' potential to enjoy greater access to content and applications that are made possible by the high bandwidth the network offers, he added, during the opening of the "International platform on integrating Arab e-infrastructure in a global environment". (December 13, 2011)<sup>12</sup>

Umniah Telecommunications and Technology Company has announced plans to launch 3G services in the first half of 2012. At the end of September 2011, there were an estimated 585,000 3G customers in Jordan, representing 7.6% of the total wireless market. (December 12, 2011)<sup>13</sup>

According to figures by Telecommunication Regulatory Commission (TRC), mobile phone penetration in the kingdom reached 120% by the end of the third quarter of 2011. The number of mobile subscribers in Jordan stood at 7.465 million by the end of September, of whom 6.7 million are prepaid card users. Meanwhile, internet penetration reached 45% by the end of September, with 2.813 million internet users in the country. Land telephony penetration stood at 7% by the end of the third quarter of this year, with 424,470 users, the data showed. (December 8, 2011)<sup>14</sup>

#### Kuwait

##### **Minister of Communication: Dr. Mohammed Al-Baseeri**

[Ministry of Communication (MOC)]  
<http://moc.kw>

STC Group announced that it will begin procedures to list the shares of Kuwait Telecom Company (VIVA) in the Kuwaiti Stock Exchange. This listing is an execution of the Emiri Decree number 187/2007 following the rules and regulations of the Kuwaiti Stock Exchange allowing customers to trade their stocks in the Kuwaiti Stock Exchange. STC Group CEO, Eng. Saud bin Majed Al Daweesh highlighted that the agreement was concluding at VIVA headquarter with NBK Capital to manage the listing explaining that VIVA will work very hard to continuously meet the needs of its customers and provide innovative solutions for its customers to build on its success in Kuwait. (December 11, 2011)<sup>15</sup>

#### Lebanon

##### **Acting Chairman & CEO: Dr. Imad Hoballah**

[Telecommunication Regulatory Authority (TRA)]  
[imad.hoballah@tra.gov.lb](mailto:imad.hoballah@tra.gov.lb), [www.tra.gov.lb](http://www.tra.gov.lb)

The telecoms Minister Nicolas Sehnaoui pledged a US\$110 million investment to upgrade the country's two state-run, privately managed cellular networks to improve services. The minister said that the new 'National Quality of Services' program 'will put an end to the poor mobile services. This plan will take eight months to be completed. But the Lebanese will feel the positive results in two to three months. (December 16, 2011)<sup>16</sup>

## Libya

### Director General & CEO: Dr. Engineer AbuzeidGumaAlmansuri

[General Directorate of Posts and Telecommunications (GDPT)]  
[info@gta.ly](mailto:info@gta.ly), [www.gta.gov.ly](http://www.gta.gov.ly)

The Libyan International Telecom Company (LITC) announced the activation of the new upgraded submarine cable system between Libya and Italy using the latest technologies to provide huge capacities reaching 40Gbps instead of the old system (2.5 Gbps). The activation of this system will shortly help in the development of the international voice calls services by dedicating more capacity, also it will help the local Internet Service Providers in utilizing the extra added capacities to provide better Internet service in Libya. LITC considers this as the first step in chain of steps that will cover the Libyan demand by investing in different international connectivity projects like: European Indian Gateway (EIG) submarine cable project and Libyan-Greece submarine cable project. (December 25, 2011)17

## Morocco

### Director General: Mr. M. Azdine El MountassirBillah

[Agence Nationale de Reglementation des Telecommunications (ANRT)]  
[info@anrt.net.ma](mailto:info@anrt.net.ma), [www.anrt.net.ma](http://www.anrt.net.ma)

The National Agency of Telecommunications Regulation (ANRT) has launched a scheme to register the identity of all pre-paid mobile SIM card owners. In accordance with a decision effective on October 1, 2011 all new and existing mobile subscribers of the country's three network operators Maroc Telecom, Meditel and Wana (Inwi) are required to provide their details by December 31, 2011. The three cellcos have been given the whole of 2012 to complete the registration of their entire user bases, and the regulator will collect information on progress from each on a quarterly basis throughout the year. (December 21, 2011)18

The National Agency of Telecommunications Regulation (ANRT) made downwards adjustments to wholesale network interconnection charges for voice telephony and SMS messaging services, initially set for the period 2010-2013. Under the most recent adjustments, the regulator decided to lower mobile termination rates (MTRs) by 82% between July 2010 and December 2013, compared to the previously agreed reduction of 65% in the period. The additional reductions in MTRs will be applied from January 1, 2012. MTR fees for connecting calls on the networks of the country's three cellcos will fall to MAD0.202 (US\$0.024) at January 1, 2013 – half the original rate of MAD0.40 proposed in the ANRT's original 2010-2013 wholesale framework. (December 9, 2011)19

## Nepal

### Chairman: Mr. Bhesh Raj Kanel

[Nepal Telecommunication Authority (NTR)]  
[chairman@nta.gov.np](mailto:chairman@nta.gov.np), [www.nta.gov.np](http://www.nta.gov.np)

The fixed-line telephone is losing its ground despite steady growth of telecom sector in the country. Telephone services had reached to 53.50% of 26.62 million population. The increment rate of fixed-line is around one to two

thousands every month, according to Management Information System (MIS) report released by Nepal Telecommunications Authority (NTA). The number of fixed-line consumers has reached to 843,847 until mid-October, according to the regulator. The number of consumers was 842,352 a month ago. However, telecom service providers have succeeded to expand consumer base by nearly 500,000 during the same period of time. The consumer base of mobile service was 12,153,234 until mid-September but it reached to 12,615,533 in the mid of October, the regulator's report revealed. Currently, five telecom companies out of six are providing fixed line telephone service to the consumers. (December 26, 2011)20

The Commission for Investigation of Abuse of Authority (CIAA) has ordered the country's telecoms regulator, Nepal Telecommunications Authority (NTA), to stop issuing 3G mobile frequencies to telecoms operators and to abandon its plan to implement a unified licensing scheme which would enable telcos to offer any type of service via a single concession. The decision was taken based on a complaint filed at the CIAA which said giving away 3G frequencies to telecom operators was inflicting huge revenue losses on the government and the plan to issue unified license smacked of suspicious motive of serving certain groups' vested interest. (December 13, 2011)21

## Oman

### Chief Executive Officer: Dr. Hamed Al-Rawahi

[Telecommunication Regulatory Authority (TRA)]  
[traoman@tra.gov.om](mailto:traoman@tra.gov.om), [www.tra.gov.om](http://www.tra.gov.om)

The Telecommunications Regulatory Authority is in talks with Omantel and Nawras, asking it for lower-frequency spectrum in response to demand for mobile data. Nawras CEO told that lower frequencies are harder, travel further and go inside buildings more easily. Oman has one of the lowest population densities globally at about nine people per square kilometer. (December 21, 2011)22

## Pakistan

### Chairman: Dr. Muhammad Yaseen

[Pakistan Telecommunication Authority (PTA)]  
[Chairman@pta.gov.pk](mailto:Chairman@pta.gov.pk), [www.pta.gov.pk](http://www.pta.gov.pk)

The Pakistan Telecommunication Authority (PTA) confirmed plans to auction spectrum for mobile broadband services, following a policy directive issued by the Ministry of Information Technology (MOIT). The licenses will be technology-neutral, allowing licensees to deploy any technology including 3G and LTE. The information memorandum on the auction process is being prepared by the PTA, and the tentative date for the auction is March 2012. At the same time the regulator will auction a license in the 800MHz band, previously held by the now defunct operator Instaphone. An information memorandum on the license will be issued shortly. (December 27, 2011)23

Pakistan's Senate Standing Committee on Cabinet directed the Pakistan Telecommunication Authority (PTA) to ask mobile operators to improve the quality of their service. The committee members directed the PTA to ask mobile

operators to improve voice quality and the SMS success rate. PTA Chairman Mohammed Yaseen briefed the committee about the overall performance of mobile service companies and said the number of mobile subscribers stood at 111.1 million. (December 27, 2011)24

Pakistan Telecommunication Authority (PTA) has announced to hold auction of GSM License in March 2012 previously owned by Instaphone. The announcement was made after the re-auction of the license have been approved by Prime Minister last month, while chairing a cabinet meeting. It was also decided in cabinet committee meeting that new international players as well as existing operators would also be invited for Instaphone license auction being the sixth of the existing license in the country and not a new license. The auction of the 800 MHz band has been believed to attract handsome investment of more than \$291 million, which was initial cost of the license. (December 26, 2011)25

Universal Service Fund - Pakistan, a member organization of SAMENA Telecommunications Council, has announced that Mr. Riaz Asher Siddiqui has taken charge of its operations as its Chief Executive Officer, effective December 15, 2011. Mr. Siddiqui, a telecommunications professional with a career spanning over twenty years, with expertise in business development and stakeholder engagement, has been appointed by Prime Minister. He succeeds Mr. Parvez Iftikhar, the founding Chief Executive Officer of USF. Mr. Siddiqui will be the ninth Director of the board of USF. (December 23, 2011)26

The Information Technology Ministry has directed the Pakistan Telecommunication Authority (PTA) to complete the auction of 3G spectrum within the next two to three months. The IT ministry has issued a notification on December 19 to create a committee to supervise the process. The committee will be chaired by finance minister and will include privatization minister, water and power minister, finance secretary, IT secretary, the chairman of the PTA, the executive director of the Frequency Allocation Board, and several other officials. (December 22, 2011)27

The Government of Pakistan, citing threats to national security, has reportedly decided to ban mobile number portability (MNP). The development comes after a meeting led by minister of the interior was held on the misuse of electronic equipment, with a view to examining necessary measures to curb illegal activities. (December 20, 2011)28

Mobile phone users have been reached over 100 million in Pakistan as Information Technology and Telecom sectors are showing tremendous growth in terms of users, development and revenues. According to an official, Pakistan has ranked among 10 countries charging lowest call rates in the world and its cellular users have reached 100 Million and it is growing after every passing day. Pakistan has above 688,373 Broadband subscribers whereas total direct and indirect jobs in Telecom sector are 1.36 million.

Pakistan has offered 100% foreign equity allowed in software houses and just minimum US\$ 0.15 million investment is required in service sector. Pakistan has offered tax holiday incentive on software exports till 2018. (December 19, 2011)29

CEO and President, Pakistan Telecommunication Company Limited (PTCL), Walid Irshaid, has said that his company is going for 3G and it will be the first to compete for a 3G license in Pakistan. "We have no option but to succeed," said Mr. Irshaid, while addressing the UAE Trade and Investment Conference 2011. (December 2, 2011)30

### **Palestine**

**Minister: Dr. Eng: Osama Abdel-Halim al-Issawi**

[Ministry of Telecommunications & Information Technology (MTIT)]

[www.mtit.gov.ps](http://www.mtit.gov.ps)

US-based EMC Corporation has revealed that it has been selected by Palestinian fixed line incumbent Palestine Telecommunications Company (Paltel) to rollout a new IT infrastructure for the telco. (December 19, 2011)31 The Palestinian National Authority (PNA) has outlined its strategy for the introduction of up-to-date communications and information management solutions as parts of the national state building effort. The Ministry of Telecommunications and Information Technology (MTIT) has said that its strategy for a unified communications and government computer centre will 'build a more connected government, foster national unity and accelerate e-government services,' and the regulator expects to adopt new innovations in hosted services, cloud computing and person-to-person networking in order to provide real-time voice, data and video collaboration solutions across the existing government network. (December 14, 2011)32

### **Qatar**

**Executive Director: Ms. Christa Cramer**

[The Supreme Council of Information and Communication Technology (ictQATAR)]

[info@ict.gov.qa](mailto:info@ict.gov.qa), [www.ict.gov.qa](http://www.ict.gov.qa)

Qatar-based Gulf Bridge International (GBI) and TE SubCom have announced the completion of construction of their 5.12Tbps submarine fiber-optic network, GBI Cable System, including segments covering the Gulf, the Gulf to India, the Gulf to Egypt, across Egypt and across the Mediterranean to Italy. (December 22, 2011)33

The Supreme Council of Information and Communication Technology (ictQATAR) is enhancing its consumer affairs function by creating a Consumer Protection Department within the Regulatory Authority. The department is tasked with ensuring that telecoms consumers are heard and made aware of their rights, as well as service provider obligations in respect of telecommunications products and services. (October 5, 2011)34

**Saudi Arabia****Governor: Eng. Abdullah A. Al Darrab**

[Communication & Information Technology Commission (CITC)]  
[info@citc.gov.sa](mailto:info@citc.gov.sa), [www.citc.gov.sa](http://www.citc.gov.sa)

Mobile phone subscriptions in Saudi Arabia rose 15% to 56.1 million in the third quarter, the Communications and Information Technology Commission said in a quarterly statement posted on its website. The regulator said internet users had reached 13 million and fixed-line phone subscribers hit 4.5 million by the end of September. Saudi Arabia's mobile penetration ranks third in the world at 188%, according to the ITU, with the Kingdom's conservative rules restricting mixing of the sexes and spurring demand for alternative ways to communicate. (December 25, 2011)35

Saudi Arabia will issue three mobile virtual network operator (MVNO) licenses in 2012, the country's telecoms regulator told; a move analysts say makes it unlikely the kingdom will award a fourth conventional mobile license. In the Gulf, only Oman has issued MVNO licenses, with other governments seemingly keen to protect existing operators. A spokesman for the Saudi Communications and Information Technology Commission (CITC) confirmed it would sell the MVNO licenses next year, but did not provide more details. The regulator's move to allow MVNOs instead of granting a fourth telecoms license is a sign Saudi operators are moving towards competing on service rather than focusing on building their own infrastructure. (December 7, 2011)36

**Sri Lanka****Director General: Mr. Anusha Palpita**

[Telecommunication Regulatory Commission (TRC)]  
[palpita@trc.gov.lk](mailto:palpita@trc.gov.lk), [www.trc.gov.lk](http://www.trc.gov.lk)

Sri Lankan mobile market leader Dialog Axiata has agreed to buy 100% of local fixed-wireless operator Suntel. Dialog said it will pay between US\$33.9 million and US\$34.9 million after completing due diligence which values the firm at around three times its 2010 EBITDA. The merged entity will have a 23% share of the island's fixed local access market, behind Sri Lanka Telecom but ahead of rival Lanka Bell. (December 15, 2011)37

Telecommunications Regulatory Commission is proposing to amend the license of Dialog Axiata to curb theft of mobile phones. The modification will require Dialog Axiata to share information on lost or stolen mobile phones with other operators – to stop those stolen handsets from being used on other mobile networks. (December 12, 2011)38

A media rights group has filed a court challenge over the Sri Lankan government's blocking of five news websites for content that was deemed insulting, a spokesman said Tuesday. The local Free Media Movement filed a fundamental rights application in the Supreme Court on the basis that the blockade breaches the people's right to information and freedom of expression. (December 6, 2011)39

South Sudan Under Secretary: Stephen Lugga JUMA [Ministry of Telecommunications and Postal Services] [juma.lugga@mopt.ssd](mailto:juma.lugga@mopt.ssd), [www.motps.ssd](http://www.motps.ssd)  
 The Minister of Telecommunication and Postal Service Madut Biar Yel said most operators now use their own gateways, but the government is planning to assign a company to operate Government-owned international gateway, he said. (December 1, 2011)40

**Sudan****Director General: Dr. Izz Al Din Kamil Amin**

[The National Telecommunication Corporation (NTC)]  
[itisalat@ntc.gov.sd](mailto:itisalat@ntc.gov.sd), [itisalat@ntc.gov.sd](http://itisalat@ntc.gov.sd)

In a bid to make up for the loss of oil revenue from the newly independent South, the government of Sudan plans to increase taxes on the country's telecoms operators. Under the 2012 budget, which was approved by parliament, manager of Sudan's tax office told that the government will raise sales and services taxes for telecoms firms from 20% to 30%, while a tax on profits will be hiked from 15% to 30%. Sudan lost around three-quarters of its oil output when the South seceded in July 2011. (December 22, 2011)41

Sudatel Telecom Group has joined SAMENA Telecommunication Council as member. Sudatel Telecom Group (STG) is one of the telecoms & ICT service provider in the region, with its strong presence in companies in Sudan and other five African countries (Mauritania, Senegal, Ghana, Guinea and Nigeria) covering the areas of Mobile, fixed, Internet and broadband services. STG has a great share in international submarine cables like Easy, SAS1 and SAS 2 which are a big projects to link and transfer traffic between African countries as well as providing a huge internet broadband that beside the marine cable with Saudi Arabia via red sea and the fiber link with Egypt and Ethiopia. (December 7, 2011)42

**Syria****Minister: Dr. Imad Sabouni**

[Ministry of Communications & Technology (MoCT)]  
[www.moct.gov.sy](http://www.moct.gov.sy)

No recent developments, including regulatory actions, issuance of licenses or policy frameworks, have been made public in the news/newsletters or on the regulator's website.

**Tunisia****President: Mr. Hassoumi Zitoune**

[National Telecommunication Commission (INTT)]  
[dir.coop@intt.tn](mailto:dir.coop@intt.tn), [www.intt.tn](http://www.intt.tn)

Tunisie Telecom has announced the first stage of registration on the Tunisian stock exchange Bourse de Tunis and NYSE Euronext Paris. It filed a reference document filed with regulators Conseil du Marché Financier in Tunis, and also with French financial markets regulator Autorité des Marchés Financiers on December 17. The filings are the first steps towards an Initial Public Offering (IPO) of shares on the Tunis and Paris stock exchanges, subject to market conditions and approval of the IPO prospectuses by the two regulators. (November 15, 2011)43

## Turkey

### Chairman & CEO: Dr. Tayfun Acarer

[Information & Communication Technologies Authority (BTK)]  
[tacarer@btk.gov.tr](mailto:tacarer@btk.gov.tr), [www.tk.gov.tr](http://www.tk.gov.tr)

Business Monitor International's (BMI) Q112 includes extended forecasts for the country's mobile, mobile ARPU, fixed-line and broadband markets through to the end of 2016. It also contains some significant revisions to the mobile subscriber forecast and the broadband subscriber forecast as a result of operator data for H111. The Turkish telecommunications market utilizes the latest data from the principal fixed-line, broadband, pay-TV and mobile communications operators, as well as the national regulatory agency the Information Technologies and Communications Authority (ICTA). The data show that the fixed-line market is declining slightly faster than previously believed, while the 3G and mobile broadband sectors are fuelling expansion in broadband. Meanwhile, a turnaround in performance, with net additions of 1mn subscribers in Q211, resulted in BMI revising its forecast for the mobile market and moderately upgrading BMI's short-to-medium term outlook for the sector. The Turkish mobile market had its largest number of net additions since Q307 in Q211, with net additions of 2.062mn. This represented a dramatic turnaround from the period since the start of 2009 when there had been a net loss of 4.09mn subscribers. There were 8.672mn fixed and broadband subscribers in Turkey at the end of 2010, rising to 11.079mn at the end of June 2011 according to data from the regulator. The 2010 figure represents a penetration rate of 11.9% and y-o-y growth of 27.9%. These figures are a little higher than our previous estimates for 2010 and the improved growth rate has encouraged us to alter upwards our short- and medium-term growth forecasts. Business Monitor International's Turkey Telecommunications Report provides industry professionals and strategists, corporate analysts, telecommunication associations, government departments and regulatory bodies with independent forecasts and competitive intelligence on Turkey's telecommunications industry. (December 20, 2011)44

## United Arab Emirates

### Director General: Mr. Mohamed Nasser Al Ghanim

[Telecommunication Regulatory Authority (TRA)]  
[info@tra.ae](mailto:info@tra.ae), [www.tra.gov.ae](http://www.tra.gov.ae)

Plans to allow businesses and residential consumers in the UAE to choose their network provider for fixed line and broadband services have been postponed, the UAE regulator has said. The Telecommunication Regulatory Authority (TRA) had promised the service would be implemented before the end of the year but on now confirmed both Etisalat and du were technically "not ready" to launch the network sharing service. "Since both operators are technically "not ready" the full commercial launch has been postponed until the completion of the technical readiness," the regulator said in an emailed statement. (December 29, 2011)45

UAE telco du said it will launch a new mobile phone prefix early next year to create one million new numbers. The new prefix code number (0529) will be launched in the first quarter of 2012 after du's plan was approved by the Telecommunications Regulatory Authority (TRA). The addition of the series will open up one million extra lines to du's new mobile customers, the telco said in a statement. Du launched mobile telecommunication services in February 2007 across the UAE, to break the monopoly previously held by Etisalat. By the end of the third quarter of 2011, nearly five million people in the UAE were du mobile customers. (December 28, 2011)46

The UAE Telecommunications Regulatory Authority (TRA) accomplished a remarkable milestone that enhances its regional leading status by having won best Telecoms Regulator by commsMEA. Additionally, SAMENA awarded the TRA best Regulatory Leader of the year, received by the Director General, H.E. Mohamed Nasser Al Ghanim. The SAMENA Council focuses on a number of vital upcoming fields in the ICT sector which include: content Revenue-Sharing & Collaboration Model (OTTPs, Operators), spectrum Planning & Harmonization for LTE, digital Dividend, sustainable Internet Model Development, international Roaming Rates Regulations, infrastructure Sharing, digitization, broadband Fiber Investments, SAMENA Technology & Educational Webinars Program, and other related disciplines. (December 7, 2011)47

SAMENA Awards has announced du as the winner of its 'Best Local Content Provider of the Year 2011' award. The UAE telecommunications company received the honor based on the technology measures taken and remarkable achievements realized in providing content that is relevant and specific to the UAE market. In recognition of his contribution to the telecom sector, SAMENA presented du CEO Osman Sultan with Best Pioneer Award. "It is our pleasure to accept this award from SAMENA, and we would like to express our thanks to the Awards Evaluation Committee, for recognizing our efforts to engage our local community and bestowing this honor upon us. Also, I am humbled with the recognition of Best Pioneer Leader bestowed upon me. It is really a wonderful endorsement of my efforts, and those of my team," commented Osman Sultan, Chief Executive Officer, du. The SAMENA Awards for operators, manufacturers/vendors, satellite providers and regulators are given on the basis of a professional, individual and anonymous vote from the full Awards Committee. During the evaluation process of eligible awardees, the Awards Evaluation Committee (AEC) evaluates and considers all pertinent and objective data provided by the market research performed both internally and externally, as well as subjective data and their knowledge of the market. (December 7, 2011)48

Etisalat has again been named the Best Wholesale Provider of Telecommunications Services in the Middle East at the annual Capacity Europe Awards, which recently concluded in Amsterdam. This is a record fourth consecutive year that

Etisalat has taken this honor, recognizing the UAE operator's strategic investment in developing resilient intercontinental connectivity and 'Smart Hub', the regional content and internet hub. The Capacity Awards are organized by Capacity Media and have been created to recognize market players, who through applying effective techniques and strategies to their wholesale businesses, have established themselves at the forefront of the wholesale telecoms industry. Etisalat was also recently awarded Best Middle Eastern Wholesale Carrier at "Telecoms World Middle East 2011" in Dubai. (December 7, 2011)49

## Yemen

### Minister: Eng. Kamal Hossain Al-Jabry

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Yemeni wireless operator Sabafon claims to have been the victim of repeated attacks from government forces, as a result of the political affiliation of the cellco's majority owners, the Al-Ahmar family. Sabafon's chairman, Hamid Al-Ahmar, has backed opposition forces during the recent crisis, aiming to end the rule of the outgoing president Ali Abdullah Saleh. The company headquarters was hit three times by rocket propelled grenades during the conflict, and more than 250 of its transmission towers and other facilities were attacked or looted by state forces. (December 21, 2011)50

# A SNAPSHOT OF REGULATORY ACTIVITIES IN SAMENA REGION

## Country-wise Regulatory Activities

Regulatory activities beyond the SAMENA Region

### ITU

Key standards (ITU-T Recommendations) on a technology (MPLS-TP) required by telecoms operators to increase network efficiency while also reducing capex and opex costs have been approved (or attained first level approval) at a recent ITU meeting. MPLS-TP refers to extensions to the IETF's MPLS protocol developed in cooperation with the IETF. MPLS can carry packets of different types, allowing telecom operators to offer private connections as well as IP services. Many network operators expect MPLS-TP to work under the same principles as longstanding ITU transport network technologies like SDH and OTN. MPLS-TP provides network operators with a reliable packet-based technology the operation of which aligns with current organizational processes and large-scale work procedures. Its deployment may reduce the need for layer 3 routing in an operator's network. Another important draft standard in the field has been forwarded to ITU's quadrennial World Telecommunication Standardization Assembly (WTSA-12) in Dubai next year. This provides an Ethernet based protocol for operations, administration and management (OAM) for Transport MPLS (MPLS-TP). The delay in approval follows the breakdown of a deal brokered by the Japanese administration in November. The compromise proposed was intended to address concerns expressed by IETF, following a series of previous setbacks. Unfortunately the IETF were unable to deliver one key element of the proposal, the ACh codepoint which contributed to four national delegations vetoing the standard. Malcolm Johnson, Director, Telecommunication Standardization Bureau, ITU: "I would like to thank Japan for its great effort as a neutral party to find a compromise that took into account IETF's concerns. It is clear that the majority of the world's ICT industry and governments supports this standard. It is a practical solution demanded by operators around the

globe. I am hopeful that IETF will be able to assign the ACh codepoint before WTSA-12 which should allow the standard to be approved by consensus. ITU has a tradition of working by consensus but this is dependent on delegations being willing to compromise." At the close of its December meeting Study Group 15 repeated its request to the IETF to provide an ACh codepoint for the Ethernet based OAM protocols. This request is in line with ITU's continued commitment to a collegial working environment for ICT standards development. (December 17, 2011)58

### United States

AT&T announced that it won regulatory approval to buy wireless spectrum from U.S. chipmaker Qualcomm Inc, a move that would boost the company's 4G network. AT&T is buying 700MHz airwaves for about US\$1.93 billion, with the aim of countering criticism over iPhone service quality and competitive threats from rivals like Verizon Wireless. "This spectrum will help AT&T continue to deliver a world-class mobile broadband experience to our customers," Bob Quinn, an AT&T senior vice president, said in a statement. The companies expect to close the transaction in the coming days, AT&T said. Last week, AT&T withdrew its US\$39 billion plan to buy T-Mobile USA after the deal faced powerful regulatory opposition. AT&T said it needed to buy T-Mobile USA to help overcome a spectrum shortage as the telecom provider moves toward 4G and LTE technologies. Verizon Wireless is also working on increasing its spectrum. The telecom operator has been purchasing spectrum from cable companies in an effort to build out its 4G and LTE network. But the U.S. Department of Justice announced that it is investigating the deals, saying they could potentially hurt competition in both the telecom and cable markets. (December 27, 2011)59

Qualcomm announced that the U.S. Federal Communications Commission has approved the sale of its Lower 700MHz D and E Block (Channel 55 and 56) unpaired U.S. spectrum licenses to AT&T. The sale by Qualcomm to AT&T of the licenses for \$1.925 billion was originally announced in December, 2010. The proposed transaction has been pending subject to the satisfaction of the conditions of closing. In connection with the announcement of the transaction in 2010, AT&T indicated that, as part of its longer term 4G network plan, it intends to deploy this spectrum as supplemental downlink, using carrier aggregation technology. This new technology is designed to deliver substantial capacity gains by enabling unpaired spectrum to be used in conjunction with paired spectrum for 4G services. Qualcomm is integrating carrier aggregation technology into its chipset roadmap to enable supplemental downlink and intends to market the technology globally. This new technology is expected to create opportunities around the world in regions where unpaired spectrum bands can be made available for wireless operators to use in conjunction with existing paired bands in order to obtain substantial improvements in their mobile broadband networks. "We are very pleased that the FCC has approved the sale of our spectrum licenses and look forward to working with AT&T to deploy supplemental downlink. This is a positive outcome for Qualcomm and our stakeholders," said Dr. Paul E. Jacobs, chairman and CEO of Qualcomm. "We would like to express our appreciation to FCC Chairman Julius Genachowski, his fellow FCC Commissioners and the FCC staff. The use of supplemental downlink will enable the efficient use of unpaired spectrum for mobile broadband in the U.S. and a richer, faster mobile experience for consumers." (December 23, 2011)<sup>60</sup>

The US Department of Justice (DoJ) reportedly intends to file a motion this week that will see it postpone the court proceedings relating to its challenge to AT&T Mobility's proposed US\$39 billion acquisition of rival cellco T-Mobile USA. DoJ lawyer Joseph Wayland has indicated that legal action against the controversial merger is no longer necessary, because the companies have formally withdrawn their application for approval by the Federal Communications Commission (FCC). Wayland said that the DoJ will either ask the federal court to stay the court proceedings, or simply withdraw its case until the companies once again attempt to seek approval with the FCC. The DoJ's comments follow those of District Court Judge Ellen S Huvelle, who questioned the logic of maintaining the current schedule, saying: 'The landscape has changed – it has clearly changed'. However, AT&T's lawyers urged the judge to maintain the current trial schedule, with Mark Hansen admitting: 'We are not playing some strategic game'. In late-August the DoJ filed a civil antitrust lawsuit to prevent AT&T from acquiring T-Mobile from Germany's Deutsche Telekom. At the time deputy attorney general James M Cole commented: 'The combination of AT&T and T-Mobile would result in tens of millions of consumers all across the United States facing higher prices, fewer choices and lower quality products for

mobile wireless services ... This lawsuit seeks to ensure that everyone can continue to receive the benefits of that competition'. (December 12, 2011)<sup>61</sup>

## Canada

The Canadian Radio-television and Telecommunications Commission (CRTC) has opened Canada's Yukon, Northwest Territories and Nunavut regions to local telephony competition from May 1, 2012, from which date users will be able to choose an alternative service provider, where available. Up until now, Northwestel, part of Bell Canada, has been the sole provider of local telephone service in the far northern regions. (December 16, 2011)<sup>62</sup>

## Mexico

Mexico's telecommunications sector grew 10.7% in the third quarter, according to the Index of Telecommunications Sector Production (ITEL) from COFETEL, the country's telecom regulator. The rate is higher than 2010's average growth of 10.6%. Among telecom segments, satellite television registered the greatest growth during the first nine months of the year, at 39%. International long-distance traffic increased 22.9%, while mobile telephony traffic, which is measured in minutes, rose 13.8% compared with the same period in 2010. The mobile subscriber base grew 9.9%, climbing to 97.1 million subscribers with the addition of 1.4 million new subscribers in the third quarter. COFETEL attributed the growth to a decrease in interconnections rates. Mobile teledensity reached 86.4 lines per 100 people. Fixed telephony decreased 0.2%, accounting for a total of 19.7 million in the January-September period. Fixed teledensity was 17.6 lines per 100 inhabitants. (December 12, 2011)<sup>63</sup>

## Chile

Chilean telecoms watchdog, Sub-Secretaria de Telecomunicaciones (SUBTEL) has announced the launch of a tender for frequencies in the 2.6GHz band to be used for the provision of 4G mobile services. SUBTEL is auctioning three 20 MHz blocks in the following bands: 2505 MHz-2525 MHz, 2525 MHz-2545 MHz and 2545 MHz-2565 MHz, with a maximum of one block to be awarded to each applicant. Undersecretary of Telecommunications, Jorge Atton, said that the regulator was including new conditions to the competition, which will alter the way in which scores are decided and a winner established. Tender details are due to be released on 16 December. Regarding the allocation of points, Atton continued: 'We set higher quality standards for services, measuring the actual coverage within homes and buildings; encourage infrastructure sharing that favors the entry of mobile virtual network operators (MVNOs) and network usage by third parties. We reward shorter deployment times, favor deployment in the regions and ensure internet service in the 560 rural communities that currently have no connectivity'. (December 6, 2011)<sup>64</sup>

Chile has launched the fixed number portability system. Chilean customers can currently port their fixed numbers in



the Arica region. Arica has around 36,000 households with fixed telephony lines. The system will be made available to the Santiago area in March 2012, to be then gradually expanded across the country. Additionally, Chile has rolled out a mobile number portability trial. The pilot will take about one month. The mobile number portability system is scheduled for commercial launch on January 16, 2012. Communications software and services provider Telcordia is managing Chile's number portability system. (December 6, 2011)65

## Brazil

Brazilian telecoms regulator ANATEL has raised a total of BRL237.8 million (US\$132 million) through the government's auction of additional spectrum for wireless services, with TIM Participacoes (TIM Brasil), Tele Norte Leste Participacoes (TNL), Telecom Americas (Claro) and Sercomtel Celular each gaining more airwaves. Telecom Italia-backed TIM Brasil purchased a total of nine blocks of spectrum in the 1800 MHz band for BRL109.3 million, while TNL – which markets services under the Oi banner – acquired four lots of 1800 MHz spectrum for BRL110.6 million. America Movil's Claro unit paid BRL14.5 million for one lot in the 800 MHz band and Sercomtel Celular spent BRL3.03 million for one block in the 1800 MHz band, Anatel said. The government auction comprised mobile spectrum left over from previous tenders and will help the cellcos to improve their network capacity amid rising demand for data bandwidth hungry mobile internet services. (December 7, 2011)66

## European Union

European regulators are set to challenge how mobile operators prioritize its traditional mobile calling traffic over voice-over-IP traffic. Companies that provide voice-over-IP services, like Microsoft and Google, are calling on European Commission officials and telecoms regulators to penalize landline operators that relegate voice traffic. European ministers urged the Commission to regulate telecoms operators who prioritize bandwidth, giving rise to 'net neutrality' rules, to prevent favoritism to certain kinds of bandwidth. A report by VON Europe, whose members include both the new owners of Skype, Microsoft, as well as search giant Google, said that Vodafone restricts access to web-based calls on certain tariffs. Others, including Dutch telecoms network KPN and France Telecom's Orange, do not allow voice-over-IP traffic at all. Other examples include French network SFR, which sells "unlimited" web access tariffs for iPad users, but bans peer-to-peer networking and voice-over-IP calling. In the UK, T-Mobile and Vodafone do not allow voice-over-IP traffic on their mobile Internet packages. The European regulator BEREC, and the European Commission were urged by ministers to ensure that mobile network companies do not infringe on net neutrality, and that all traffic is treated equally. While mobile networks would ideally want its end-users to contact others using its own infrastructure, data-based technology is seen by mobile operators as undercutting their service. Many UK

and European networks still offer 'unlimited' mobile Internet access, for which voice-over-IP technology relies on, provided that their respective fair-use policies are not violated. Combined with free voice-over-IP services like Skype, it is entirely possible to not rack up any charges or costs at all when calling other voice-over-IP enabled devices. Microsoft, who recently acquired Skype for US\$8.5 billion, said that it is either blocked or 'overpriced' by mobile operators that see its voice-over-IP consumer technology as a threat to its business. (December 13, 2011)67

France Telecom SA (FTE) lost an appeal at the European Union's highest court against an EU order that forced it to pay about 1.02 billion euros (\$1.37 billion) in back taxes to the French government. The EU regulator's "decision finding that that aid existed and ordering its recovery is valid," the EU Court of Justice in Luxembourg said in a ruling. It upheld a lower EU court's ruling in 2009 "that the special tax regime to which France Telecom was subject constituted state aid." The European Commission, which checks whether government aid distorts competition, had probed France's support for the phone company when it was close to bankruptcy in 2002. It decided that France Telecom received improper tax benefits from 1994 through 2004. A lower EU court in 2009 sided with the regulator. The Brussels-based commission won a separate case at the EU high court in 2007 over France's failure to recoup the tax breaks. The court in that case rejected France's arguments that the commission should have given a more precise figure when it ruled in 2004 that France Telecom must pay back as much as 1.1 billion euros, plus interest. "We take note of the decision, which has no financial consequences for the group because the full amount was paid to the French state at the beginning of 2010," Sebastien Audra, a Paris-based spokesman for France Telecom, said by phone. The commission's probe focused on the French state's role in supporting France Telecom at the end of 2002. When the commission started investigating whether the promise of loans to France Telecom constituted state aid, it also opened a probe into whether the company benefited from unfair tax breaks. The tax system dates back to a French law from 1990 when the company, which was formerly part of a government department, was set up. Mario Monti, EU antitrust commissioner at the time, said in 2004 that the estimate of 800 million euros to 1.1 billion euros in back taxes will probably rise to between 1.2 billion euros and 1.7 billion euros once interest is added. (December 8, 2011)68

## United Kingdom

The UK's Information Commissioner's Office (ICO) says that "significant progress" has been made in identifying those responsible for sending illegal spam text messages. The update comes as figures from the ICO's consumer survey show that 95% of people find spam texts either inconvenient, concerning or distressing. The ICO's investigation into accident claim spam texts and other similar messages began in early 2011, and it has since been working with other bodies to try to identify the people

behind them. Enquiries by the ICO established early on that the messages are being sent from unregistered pay as you go SIM cards. Telecommunications providers have worked to trace the locations from which large clusters of messages are being sent. So far, the ICO has executed one search warrant and has plans to carry out more. Visits have also been carried out at a number of locations. Investigators have also met with various lead generation and claims management companies to ask them where they are obtaining their customer data from. All of the companies are insisting that the information they receive has been -- as far as they are aware -- obtained lawfully. A separate strand of work relating to insurance companies' general handling of personal data also began in June 2011 following a complaint made by Jack Straw MP. As part of this, the ICO has asked all of the major insurers to undergo an audit of their data protection practices. So far three companies have agreed and others are considering the offer. Commenting on the investigation so far, Director of Operations, Simon Entwisle, said: "Significant progress has been made in tracking down who is responsible for sending these nuisance messages. We've raided one office, visited various others and are still actively working with mobile phone networks to trace various locations. We've also been doing some important work to engage with insurance companies and are pleased that some of them are willing to undergo a data protection audit. We continue to work to encourage more of these companies to open their doors to us. The ICO also today published the results of its spam text survey. Over 1,000 people responded to give details of the messages they were receiving. Of the 1014 respondents, 681 people said that receiving a text caused them concern. They felt troubled about why they had received the text and how their details had been obtained. 205 people said that it was inconvenient, while 61 respondents said the text had caused them substantial damage or distress. Almost half of respondents took the opportunity to describe how they felt about the messages. The texts were described as 'sinister' and 'an unwanted nuisance.' Those sending them were termed 'vultures' and accused of 'fraud' and 'data gathering by deception.' Read a selection of the comments and stories that individuals submitted. The most prevalent spam texts related to accident compensation claims with 794 of the survey's respondents having received one. The survey also found that 439 people had received a payment protection insurance text and 360 had received a debt settlement text. Sending an unsolicited message - otherwise known as a spam text - breaches the Privacy and Electronic Communications Regulations (PECR), which the ICO is responsible for regulating. The ICO can serve a monetary penalty of up to £500,000 in the most serious cases. (December 8, 2011)69

## France

The Telecommunications regulator ARCEP has opened a public consultation until February 17 on a draft decision to introduce a process of gathering information quarterly on the technical and pricing terms governing data conveyance and interconnection. ARCEP states that suc-h agreements

are based on partially unwritten rules, which occasionally result in tensions between stakeholders such as ISPs, content and application providers, transit providers and content delivery networks. The information will be sought from operators declared to ARCEP with public electronic networks whose installations are located either entirely or partially in France, operators who have an interconnection relationship with an operator located in France, and providers of public online communication services established in France and those who have actively taken steps to have their services or content accessed by French users. (December 26, 2011)70

France sold a second-round of fourth-generation mobile frequencies for EUR2.64 billion, France's telecommunications regulator ARCEP said, in a high-stake auction that will shape the market's competitive landscape. Bouygues Telecom, Orange France and SFR were awarded licenses, while Free's application did not qualify. Bouygues Telecom is co-owned by French building-to-broadcasting giant Bouygues, which holds 89.5%, and advertising group JC Decaux Holdings, with 10.5%. Orange France is unit of France Telecom and SFR is part of French entertainment-to-telecom conglomerate Vivendi SA. Free, which is owned by French telecommunications and Internet company Iliad SA, is expected to launch its first mobile offers in the coming weeks. The four companies, which have been already been awarded 4G mobile licenses in the 2.6GHz band, had submitted applications to bid for frequencies in the 800MHz band by a December 15 deadline.(December 23, 2011)71

The Telecommunication regulator ARCEP, has fined domestic cableco Numericable EUR5 million (US\$6.5 million) for failing to comply with its November 4, 2010 ruling calling for amendments to its fiber-optic network contracts. The watchdog considered that certain clauses relating to operational procedures provided for in Numericable's contracts for the sale of cable networks and applied by the operator when upgrading its networks with optical fiber, had to be modified in accordance with the provisions applicable to all telecoms operators deploying FTTx networks. The regulator's decision was confirmed by a decision of the Court of Appeal of Paris of 23 June 2011, it said. In a statement on the regulator's website, ARCEP said Numericable took more than a year to implement the necessary changes - rather than the two months decreed in its ruling. Under these conditions, ARCEP pronounced against the operator, pursuant to Article L. 36-11 of the Post and Electronic Communications (CPCE) code. (December 22, 2011)72

The Telecommunication regulator ARCEP has allocated 800MHz spectrum for 4G mobile services to operators Bouygues Telecom, Orange France and SFR. Free Mobile, whose bid for 800MHz spectrum was not successful but previously secured spectrum in the 2.6GHz band, will be able to roam in less densely populated areas on the 800MHz network of SFR, which won two blocks of 800MHz spectrum.

Free Mobile will have the right to roam on SFR's 800MHz spectrum when its 2.6GHz network covers 25 percent of the population. SFR, which offered to pay EUR 1.07 billion, was awarded blocks B and C, Orange France, which offered EUR 891 million, won block D, and Bouygues Telecom, which offered EUR 683.09 million, received Block A. The three operators each have 10 MHz duplex. The 800MHz auction raised EUR 2.64 billion, compared to a EUR 1.8 billion reserve price. The government previously raised EUR 936 million from the 2.6GHz auction, taking the total for 4G licensing to nearly EUR 3.6 billion, versus a EUR 2.5 billion global reserve price. ARCEP will deliver authorizations to use the 800MHz frequencies in early January. (December 23, 2011)73

The Telecommunication regulator ARCEP said it has received four bids for 800 MHz spectrum licenses as a follow up to 2.6GHz spectrum licenses issued earlier this year. The spectrum licenses are expected to be used by operators to roll out LTE-based 4G services. The four new bids and their respective owners were from Bouygues Telecom (Bouygues and HC Decaux Holdings, Free Fréquences (Iliad and Free Mobile), Orange Telecom (France Telecom) and SFR (Vivendi). All four companies involved in the 800MHz auction were awarded licenses earlier this year in the 2.6GHz band. That auction raised US\$1.28 billion, with the winners also agreeing to host mobile virtual network operator services on those networks. Carriers are expected to use the 2.6 GHz licenses in dense, urban environments, while the 800MHz licenses are expected to provide broader, rural coverage. Results from the latest round of bidding are expected to be release in coming weeks. (December 15, 2011)74

The Telecommunication regulator ARCEP confirmed that having audited Iliad's Free Mobile network, the newcomer is clear to launch as the country's fourth mobile operator. ARCEP has certified that fixed broadband specialist Iliad has successfully covered 27% of the French population with its mobile network. Achieving that level of coverage removes a final obstacle for Iliad and allows it now to activate the national roaming agreement it has signed with Orange France. The roaming deal allows it to sign up customers in areas where its own network is not present and has sparked speculation that Free Mobile may launch within days to take advantage of the Christmas run-up period. The fourth operator is required under the terms of its license to go live by 12 January 2012, but in recent weeks has been gearing up for launch. Only yesterday, Iliad's CEO Xavier Niel added fuel to the fire when he issued his first ever tweet: 'The Rocket is on the launch pad.' (December 14, 2011)75

Data from the French telecoms regulator ARCEP shows that approximately 600,000 homes were subscribing to fiber-optic services by September 30, 2011, up 42% year-on-year. The watchdog's quarterly market observatory on high speed broadband developments shows that 175,000 of the total were using a fiber-to-the-home (FTTH) connection, up 71% y-o-y, while 425,000 were hooked up with a hybrid fiber with coaxial cable (+34%). Nevertheless, fiber penetration

remains very much in its infancy and fewer than 10% of French homes (roughly 5.65 million) are currently passed by fiber. ADSL remains the most popular high speed internet access platform with 20.720 million subscriptions at end-September, up from 19.476 million a year earlier. Other broadband technologies such as satellite and wireless broadband claimed 1.075 million, up from 981,000. (December 5, 2011)76

## Switzerland

The Federal Communication Commission (ComCom) has increased the minimum transmission speed required under the universal service license, and lowered the cost ceiling for a connection. From 1 March 2012, the universal service licensee, Swisscom, will be required to increase the minimum download speed provided to its customers from 600kbps to 1Mbps. The current lower-limit of 600kbps has been in effect since January 2008. Effective from the same date, the maximum price for such a connection will be lowered from CHF69 (USD74.68) to CHF55 per month, excluding VAT. (December 12, 2011)77

Federal Communications Commission (ComCom) has reduced the price for unbundled subscriber lines by 7% to CHF 15.50 per month. The decision is retroactive for 2011. In addition, ComCom is reducing prices for interconnection and MDF co-location. The cost of terminating calls on Swisscom's network will drop by 15%, and interconnection services not charged on a usage basis will drop by up to 36%. The latter includes services essential for interconnection, such as setting up carrier selection or implementing new blocks of numbers. As a result of the ComCom decision, the rental cost for space in Swisscom exchanges (co-location) is also being reduced by about 2%. From 2013, the regulator will also use 'modern technologies' such as optical fiber as the basis for calculating operator costs and prices. As the market-dominant provider, Swisscom is obliged to provide certain services to the competitors at cost-based prices. Swisscom currently calculates its prices on the basis of copper technology. However, ComCom said it can no longer take this technology, which has since become antiquated, into account, because it does not correspond to efficient service provision. Instead it will use costs based on optical fiber technology. (December 8, 2011)78

## Germany

The Federal Cartel Office has approved the acquisition of cable network operator Kabel Baden-Wuerttemberg (Kabel BW) by Liberty Global. The approval is subject to conditions and obligations, with Liberty agreeing to grant special termination rights for large contracts for retail TV services and to end its encryption of digital free TV programs. The company has also agreed to forgo certain exclusivity clauses and ownership claims or rights to dismantle household cable connections. Housing associations in the network areas of Unitymedia and Kabel BW will be granted a special contract termination right. This will offer them an

earlier opportunity to look for a less expensive network operator for their housing units. The special termination right applies to contracts for retail TV services with more than 800 housing units and remaining contract terms of more than three years. The decision not to encrypt digital free TV programs will make it easier for rivals to compete for retail TV service contracts. As a result of the approval, Liberty has completed the takeover of Kabel BW. The company will combine Kabel BW, the country's third-largest cable operator with 2.4 million customers, with Unitymedia, the second-largest German operator acquired last year by Liberty. Together the two networks pass over 12 million homes in Germany. (December 15, 2011)79

## Netherlands

The country's provisions on net neutrality and cookies are not incompatible with European directives, Dutch minister of economic affairs Maxime Verhagen wrote the Upper Chamber of Parliament. The mandatory leasing of analogue cable is more problematic. The Upper Chamber is currently reviewing the revised Telecommunications Act, which includes three controversial proposals: over cookies, net neutrality, and analogue cable. The proposed Dutch legislation over cookies does not go beyond the European framework and should create any user-friendly (or unfriendly) problems. The bills calls for the burden of tracking cookies to now lie with the company placing the cookies and no longer with the regulator. The government clarified its position on net neutrality, saying it was important to ensure access to internet services and not hinder innovation. The mandatory obligation to sell analogue deals over cable is more problematic, creating issues for the government, Opta and probably also the European Commission. First, the independent regulator is put aside just when measures should be taken. Secondly, the program service cannot be separated from signal transport. The European Court of Justice is expected to bring clarity to this issue. The Dutch government has suggested that this component be treated separately so that the EU's Telecommunications Act can go into effect this year in May, as scheduled. (December 21, 2011)80

The Dutch competition authority raided the offices of mobile operators KPN, Vodafone, and Deutsche Telekom's T-Mobile in a price-fixing investigation. The competition authority (NMA) said it was investigating whether mobile telecoms operators in the Netherlands engaged in cartel practices including price fixing and the sharing of market information. It did not name any of the companies under investigation. However, KPN, Vodafone, and T-Mobile issued separate statements after the announcement saying NMA officials had been to their offices on Tuesday and that they were all fully co-operating with the authority's cartel probe. KPN, the market leader, said its headquarters in The Hague were raided at 0830 on Tuesday morning, and that five employees were being questioned by the competition authority. It said the competition authority was specifically investigating collaborative practices for consumer mobile telecommunications packages as well as KPN's sales

channels. T-Mobile spokesman Michael Vos told Reuters: "We are co-operating fully with the authorities and we are confident of the positive outcome of the investigation." Earlier, Dutch broadcaster NOS reported the investigation was prompted by two whistleblowers -- a former director at one of the companies and a board member at a telecoms firm. A separate price-fixing case, which was launched in August 2001, recently found that the firms had engaged in a cartel in that year. KPN was fined 7.93 million euros, T-Mobile was fined 4.6 million euros and Vodafone was fined 3.72 million euros. (December 7, 2011)81

Dutch competition regulator NMA has raided the offices of the three mobile network operators KPN, T-Mobile and Vodafone. The raids follow statements from two whistleblowers on the Nieuwsuur show of Dutch public broadcaster NOS. The whistleblowers are a former director and current manager at telecom companies, a civil law notary has confirmed. The mobile operators confirmed the visit from the NMA and said they are cooperating with the investigation. According to KPN, the NMA is looking at "concerted practice with regard to mobile telecommunications offerings on the Dutch consumer market" and the "division of independent sales channels". The NMA also confirmed the investigation, but stressed that no charges have been brought yet. The whistleblower statements suggest that there could be violations of the Competition Act, such as price-fixing and dividing markets. The aim of the investigation is to collect information and establish whether there truly were any violations. If sufficient evidence is found, the resulting procedure can lead to the regulator imposing sanctions on the operators. A similar case started in 2001 ended only just in October. At the time, KPN, Vodafone, T-Mobile (Ben), Dutchtone and O2 Netherlands were also accused of fixing prices. The three companies still in operation in October all were fined, although less than the NMA originally demanded. KPN had to pay EUR 7.9 million, T-Mobile NL 4.6 million and Vodafone NL 3.7 million. It's clear that the NMA will first have to find evidence of price-fixing and that the companies followed each other's price changes. The prices at all three have followed a similar pattern recently, one that has not always worked to consumers' advantage. This is of course not illegal. See for example our commentary 'T-Mobile follows Vodafone, KPN with new data pricing'. Still, it's remarkable that the three companies are not denying the allegations. In the worst-case scenario, they can cooperate, lay the blame with a few bad apples and receive lower fines under the NMA's clemency program. If the NMA does find evidence of wrongdoing though, then the mobile market is doing itself a disservice. The mobile operators have already generated a great deal of bad publicity about their prices in the past year, as seen by the swift reaction from lawmakers earlier this year when KPN suggested it may have to start charging customers extra for data services such as instant messaging or VoIP. Other issues such as coverage and customer service have also suffered in the press. Politicians in The Hague are also calling harder than ever for new entrants on the market, and the latest

developments will only strengthen their case. Even if not enough evidence is found, the damage is already done. Parliament has already ensured that the spectrum auction planned for next year will be set up so that new players can join the market. The question is whether in a small, saturated market like the Netherlands new players stand any real chance, even with the help of a generous spectrum allowance. The outcome of the NMa investigation, including any appeals by the operators, will only be known well after the auction is completed. But the arguments coming out now will serve as an extra stimulus to come with additional measures to support newcomers. The addition of a fourth, and possibly even fifth, player could solve the problem of insufficient competition. Guilty or not, three operators does not appear to be enough to ensure healthy competition and dynamics on the mobile market. Still, illegal price-fixing does not seem an obvious choice for the operators. First, it would be a PR disaster if found out. But more to the point, there is a simple, clear reason why the three operators' prices seemed to move up in line with each other this past summer. As petrol prices go up when the oil price increases, mobile prices go up when traditional revenues start to decline. Changes in consumer behavior, such as over 50% of Smartphone users having WhatsApp installed, are having a significant impact on traditional revenues from SMS and voice services. Operators don't mention this, but instead point to the disputable claim that the cost of providing mobile data is rising. Whatever the case, it's clear around the world, from the US to the UK, that 'unlimited data' is increasingly a thing of the past, and operators are moving towards data caps and tiered pricing. In the end, we will have to wait and see if the operators are guilty. By the time the investigation and all the appeals are completed, the tariffs under discussion will already be a thing of the past. In the mean time, the operators are in a bad light, and this isn't the first time. Last time they got off relatively light, but this time the political wind may be against them, as a number of parties look to open up the market to new players. (December 6, 2011)82

## Sweden

The Post and Telecom Authority (PTS) has outlined its plans for radio spectrum auctions over the next few years. The next in line is an auction within the 2.3 GHz band, involving approximately 100MHz. The PTS said that it is endeavoring to make spectrum available to the market as soon as possible. The purpose of the Orientation Plan is to increase transparency and thus give market stakeholders better opportunities to plan their investments. The Orientation Plan was first presented in September 2010 and PTS announced at the time that the ambition was to assign at least 500 MHz spectrum in the years ahead. This plan was updated in May 2011 and a further update is now being made. PTS has assigned licenses at three auctions since May: the 1800 MHz band (70 MHz), the 3.5 GHz band (56 MHz in the County of Jönköping) and the 10.5 GHz band (112MHz). In addition, PTS has made available 56 MHz channels for radio links in the 15 GHz band. Future orientation

- ◆ Assignment decided in 2012: 2.3GHz
- ◆ Possible assignments in 2012/2013: 2010MHz, 1.5GHz, 1785-1805MHz and 75GHz
- ◆ Possible exemptions from license obligation in 2012: 1878.1-1879.9MHz (GSM) and 64-66GHz
- ◆ Possible assignments during 2013-: 47-68MHz, 450-470MHz, parts of 2.8GHz, parts of 3.8-4.2GHz and 39.5-43.5GHz

The Orientation Plan also describes the principle used today in various frequency bands. However, other uses are possible in other frequency bands owing to amendments to the Electronic Communications Act, which entered into force on 1 July 2011. According to these amendments, frequency space shall be assigned according to the principles for technology and service neutrality. The PTS emphasized that the plan represents an 'orientation' and that many factors may have an impact. The plan is updated annually and when required. (December 18, 2011)83

## Spain

Spain's Comision del Mercado de las Telecomunicaciones (CMT) has announced the launch of a public consultation regarding the revision of mobile termination rates (MTRs) for all four mobile network operators: Telefonica Moviles Espana (TME), Vodafone Spain, Orange Espana and Xfera Moviles (Yoigo). Under the regulator's proposals the three larger cellcos all face reductions of around 75% to their existing MTRs, while Xfera will see an almost-80% drop compared to its current rates. The CMT has laid out a two-year glide path for the reduction in fees, and for TME, Vodafone and Orange it has proposed that MTRs are reduced to EUR0.352 (US\$0.047) per minute from April 1, 2012, down from the trio's current rate of EUR0.04 per minute. The fee will then fall further, to EUR0.0303 per minute from October 2013, before declining further once every six months until December 2014, at which date it will stand at EUR0.109 per minute. Xfera meanwhile faces larger initial cuts to its rates as the CMT looks to end asymmetric prices; from April 1, 2012 the fourth-placed player will see its MTR drop from EUR0.498 per minute to EUR0.417, before falling further, to EUR0.336 per minute from October 1, 2012. Rate symmetry between all four cellcos, meanwhile, will be achieved from May 1, 2013, at which date Yoigo and its three larger rivals will be required to reduce termination rates to EUR0.255 per minute; after this date Xfera's MTR will fall in line with those of the three other operators. The proposals are now subject to a public consultation, which will be open for a month following publication in the official gazette. (December 6, 2011)84

Spanish regulator CMT has launched public consultations on mobile termination rates in the Movistar, Vodafone, Orange and Yoigo networks. CMT proposes a 73% reduction of mobile termination fees for the three main mobile operators Movistar, Vodafone Spain and Orange Spain, from the current 4 eurocents per minute to 1.09 eurocents per minute. CMT also plans to cut MTRs in the Yoigo network by 80%, from the current 4.98 eurocents to 1.09 eurocents per minute. The regulator proposes a two-

year glide path for mobile termination rates, with cuts every six months starting in April 2012 until October 2014. (December 6, 2011)<sup>85</sup> www.telecompaper.com

## Portugal

Portugal Telecom and Sonaecom's mobile phone units, TMN and Optimus announced that they had placed winning bids in three frequency bands. They each paid a total of €113m for nine blocks; the minimum price set by the Portuguese telecommunications regulator, ANACOM. The operators said that they plan to use the acquired spectrum to provide mobile communications services based on 4G-LTE technology. TMN has been trialing LTE since April 2011, and is already doing live tests in Cascais and Braga. Meanwhile, Vodafone Portugal announced that it has also won a total of 123 MHz (2x49 MHz FDD 25 MHz TDD) spectrum in the 800 MHz, 900 MHz, 1800 MHz and 2600 MHz frequency bands. It will pay a total of €146m for the spectrum. The operator plans to use this spectrum to provide mobile communications services based on 4G/LTE technology, and added that "the spectrum in the 900 MHz band will further improve the coverage and quality of service, using 3G/HSPA technology, especially inside buildings." The LTE mobile telephony auction was launched on November 28 and the Portuguese government said earlier this year that it needed to raise €200 million through the sale of 4G licenses in 2011, as its government budget for the year already includes planned revenue from the sale of 4G licenses. (December 1, 2011)<sup>86</sup>

Portuguese telecoms regulator ANACOM earned a total of EUR372 million (US\$497 million) on the first day of its spectrum auction for Long Term Evolution (LTE)-suitable frequencies. The auction, which encompasses frequencies in the 450 MHz, 800 MHz, 900 MHz, 1800 MHz, 2100 MHz and 2600 MHz bands, commenced on November 28, with all three incumbent cellcos Portugal Telecom's (PT) wireless arm Telecomunicacoes Moveis Nacionais (TMN), Sonaecom's mobile brand Optimus and Vodafone Portugal participating in the process. Bids for spectrum in the sought-after 800 MHz band started at EUR45 million, with 900 MHz frequencies priced at EUR30 million. Elsewhere, bids for spectrum in the 2600 MHz band had a base price of just EUR3 million. Whilst comprehensive details of the bids submitted by Portugal's cellcos remain unclear at this stage, Vodafone has confirmed that it paid a total of EUR146 million for 123 MHz of spectrum (2x49 MHz FDD blocks and 1x25 MHz TDD block), covering the 800 MHz, 900 MHz, 1800 MHz and 2600 MHz bands. The government had previously indicated that it stood to earn EUR429 million if all of the available frequencies sold at their minimum price. (December 1, 2011)<sup>87</sup> Poland

The Office of Competition and Consumer Protection (UOKiK) has approved fixed line operator Netia's acquisition of rival telco Telefonica Dialog and corporate provider and wholesaler Crowley Data Poland, for PLN944 million (US\$276.4 million) and PLN100 million respectively. Dialog was bought from Polish mining firm Kombinat Gorniczo-

Hutniczy Miedzi (KGHM), which has been intermittently seeking a buyer for the telco since 2006, though the process was put on hold in 2008 in the wake of the global economic downturn. Earlier this year KGHM divested its other telecoms asset, selling its 24.39% stake in cellco Polkomtel as part of a complete takeover by Polish media mogul Zygmunt Solorz-Zak. (December 13, 2011)<sup>88</sup>

## Romania

Romanian telecoms regulator ANCOM has initiated a consultation regarding the use of frequencies in the 880 MHz-915 MHz, 925 MHz-960 MHz, 1710 MHz-1785 MHz and 1805 MHz-1880 MHz spectrum bands. According to ANCOM's latest study of the wireless market, Romania Cable Systems (RCS&RDS), the fourth-placed mobile operator in terms of subscribers, is currently operating at a competitive disadvantage, as it lacks spectrum in the 900 MHz band, as held by Orange Romania, Vodafone Romania and Cosmote. As such, by December 31, 2012 ANCOM has confirmed that Orange and Vodafone are obliged to release a sub-band of 2x5 MHz bandwidth from their respective 900 MHz frequency allocations, as this will not affect the continuity of the services provided by the two operators. ANCOM has called it 'the most appropriate remedy to create a level playing field for all the undertakings on the mobile market'. Interested parties are invited to contact the watchdog with comments and suggestions by December 9, 2011. In May 2011 ANCOM revealed its intention to allocate spectrum in the 790 MHz-862 MHz and 2500 MHz-2690 MHz frequency bands in 2012. However, before it can proceed, it stressed that it had to come to a decision regarding those frequencies already in use – particularly the 900 MHz/1800 MHz UMTS frequencies held by Orange and, which are due to expire at the end of 2011. The first of ANCOM's two main options involves extending both concessions until April 6, 2014, aligning them to the expiration date of the third 900 MHz/1800 MHz license, held by Cosmote. Subsequently, new spectrum in the 800 MHz and 2600 MHz frequency bands would be distributed in 2013, with all 900 MHz and 1800 MHz frequency concessions renewed in 2014. ANCOM's second option involves extending all three 900 MHz/1800 MHz licenses until 2021, in order to align them with the respective expiry date of the two 2100 MHz licenses held by Cosmote and RCS&RDS. If this option is selected, usage rights for the 800 MHz and 2600 MHz frequency bands will be distributed in 2012, with a view to 2013 usage. (December 2, 2011)<sup>89</sup>

## Hungary

Telecoms regulator the National Media and Infocommunications Authority (NMHH) published a list of companies bidding in the forthcoming auction of a 900MHz mobile license in the country. The watchdog says that in addition to the three incumbent mobile network operators – Telenor (formerly Pannon), Magyar Telekom's T-Mobile unit and Vodafone – the agency has received applications to bid for 900MHz frequency blocks from state-owned postal company Magyar Posta, Romania-

based cableco RCS&RDS and Vietnamese telco Viettel Group. Local press reports have suggested Magyar Posta is looking to participate via a consortium group that includes the Hungarian Electricity Works (MVM) and the Hungarian Development Bank (MFB). The NMHH will assess the validity of the applications on January 2. (December 12, 2011)<sup>91</sup>

Hungary's leading operator Magyar Telekom (MTel) has submitted an application to bid in the forthcoming auction of unused mobile spectrum in the 900MHz band. The regulator, the National Media and Infocommunications Authority (NMHH), intends to launch the process on January 31, 2012. In August 2011 the NMHH launched an international auction for companies wishing to secure the right to use 900MHz mobile frequencies. The NMHH is inviting bids through the two-round auction process to award three blocks of spectrum in the 900MHz band for the provision of GSM, UMTS, WiMAX or LTE services. The minimum reserve price for one block of 5MHz of EGSM duplex frequency (or 'A bloc'), is HUF4 billion (US\$20.99 million), while other blocks carry reserves of HUF700 million and HUF560 million. The winner of the A bloc will also get an option for three 1800MHz blocks and three 2100MHz blocks, it said. Further, a total of 1MHz 'B bloc' frequencies are being offered at a starting price of HUF700 million apiece, and a total of 800MHz 'C bloc' frequencies are being offered at a starting price of HUF560 million. The regulator was originally looking for bidders to submit applications on or before October 20 and had expected to conclude the tender on December 12. The final phase is now likely to take place in January 2012. (December 9, 2011)<sup>92</sup>

The Telecom regulator NMHH announced the names of the companies that registered to take part in an auction for unused spectrum in the 900MHz frequency band. Six companies submitted bids, namely Telenor Hungary, a consortium formed by the state-owned companies Magyar Posta, electricity wholesaler MVM and Hungarian Development Bank (MFB), Romania-based operator RCS&RDS, Vodafone Hungary, Magyar Telekom and Viettel Group. On August 4, NMHH announced an auction for the right of use of a total amount of 10.8MHz of unused spectrum in the 900MHz frequency band. The spectrum is technology-neutral, allowing for the installation and operation of GSM, UMTS, LTE and/or WiMAX mobile networks. The deadline for filing auction bids was December 8. The authority plans to conclude the auction process on January 31, 2012. (December 6, 2011)<sup>93</sup>

Bulgaria The Communications Regulation Commission (CRC) has awarded three licenses for the use of vacant spectrum in the 1800MHz range for wireless communications. Max Telekom and 4G Com won concessions for two paired blocks of 8MHz, whilst Bulsatcom won two paired blocks of 5MHz. The permits are technology neutral, allow nationwide coverage and have duration of ten years. The regulator commented that it expects the licensees to use the spectrum for mobile broadband services, via WiMAX, Long Term Evolution (LTE) or LTE-Advanced technologies. This follows the recent cancellation of a tender for a fourth

mobile operator at the end of November. The CRC abandoned the auction for a 15-year license in the 2GHz band after none of the prospective buyers, which included 4G Com, filed the requisite participation fee. (December 19, 2011)<sup>94</sup>

Bulgaria's parliament is this week expected to approve a set of amendments to the Electronic Communications Act that will focus on consumer protection and enhancing the powers of the regulator, the Communications Regulation Commission (CRC). According to local news source Novinite, the legislation, which was first introduced in June this year, will concentrate on limiting unnecessary additional charges to customers. Aiming to limit the amount of people paying early cancellation fees, the reforms will cap contract-length at a maximum of 24 months and at the end of the contract period customers will continue to pay the same tariff, but may cancel the subscription without penalty by giving the telco a month's notice. Shorter contracts of just one year will also be made available and providers will be required to inform customers when their subscription is two months from expiry. Subscribers will also receive notification when they reach 90% of their monthly limit for data or voice services. New customers will be able to terminate their contract in the first week of service without penalty unless they explicitly forfeited this right, or received a device as part of the agreement. Mobile operators that fail to port customers' numbers to new providers within seven days will face fines of between BGN5,000 and BGN60,000 (US\$3,326 and US\$39,900). In addition, the CRC is expected to be given new powers enabling it to guard against overcharging and amend incorrect bills, though the scope of the watchdog's authority to intervene in this field has not been made clear. In a separate but related matter, a blanket ban on unsolicited messages (SMS) inviting customers to participate in TV or telephone games is expected to be introduced through an amendment to the Gambling Act. This follows the decision by the Commission for Consumer Protection (CCP) earlier this month to file a class action law suit against the country's three mobile operators, MobilTel, GloBul and Vivacom for sending, 'persistent' and deceptive communications to its customers encouraging them to play a cash-prize telephone game. The CCP claimed that the operators and the organizers of the game 'misled consumers, concealed material information relating to the game and ways to refuse to participate.' (December 15, 2011)<sup>94</sup>

Bulgaria's Commission for Consumer Protection (CCP) has filed class action law suits against the country's three mobile operators, M-Tel, Globul and Vivacom, for aggressive commercial practices. The cellcos are accused of sending 'persistent and unsolicited' communications to customers regarding the telephone game 'Become a millionaire'. Customers were led to believe that their participation was free, whilst they were in fact billed for playing. SMS messages sent to customers also suggested that they had already been shortlisted to receive winnings

and would only need to call or reply to the message. The CCP claims that the operators and the organizers of the game 'misled consumers, concealed material information relating to the game and ways to refuse to participate.' The watchdog said that it received more than 260 complaints about the game, referring either to the deception over charging or the persistence of the messages. (December 1, 2011)95

## Brazil

Joao Batista de Rezende, the president of Brazil's national telecoms regulator ANATEL, says the country is preparing to launch three separate auctions of wireless spectrum next year, to meet rising demand for data hungry mobile phone services. Country's leading players are already lining up to participate in the forthcoming auction. Telefonica Brazil (incl Telesp), which is backed by Spain's Telefonica, and America Movil's local unit Telecom Americas (Claro) are expected to submit bids for 2500MHz spectrum to offer 4G services. That auction, along with the tender for 450MHz spectrum to provide rural coverage, will take place in April, he said. The president added that Telecom Italia's TIM Participacoes (TIM Brasil) unit, Tele Norte Leste Participacoes (TNL, branded Oi), NII Holdings' Nextel Brazil business and Vivendi-backed Global Village Telecom (GVT) are all likely to contest the right to offer 4G services. According to Rezende: 'The Brazilian market will guarantee return on investment ... From the conversations I'm having, nobody is going to miss out on this kind of spectrum, because that would mean missing out on the fourth generation,' technology vital for the delivery of advanced ultra-high speed mobile internet connections. Meanwhile, the Anatel supremo also confirmed that the watchdog is planning an auction of 3.5GHz spectrum in the second half of 2012, which will be capable of supporting a wide range of communications, including voice, data and video. 'It strengthens the data-transmission infrastructure [capability] of the big companies,' Rezende said. (December 9, 2011)96

## South Africa

The Independent Communications Authority of South Africa (ICASA) has proposed a framework for the licensing of mobile broadband spectrum in the 2.6GHz and 800MHz spectrum bands, under which it plans to receive proposals from applicants in March 2012, and aims to avoid a traditional auction process. Instead, the regulator will launch a comparative process, or 'beauty contest' procedure taking into account factors including: business plan, technical plan, market innovation and network rollout. A monetary sealed bid stage will be a 'last resort' if more than one applicant is successful for each license package under consideration, the watchdog added at a briefing for interested parties held on 13 December. The closing date for the spectrum plan is 31 January 2012, and ICASA will hold public hearings on 8-10 February 2012; final publication of the spectrum plan is set for 20 February 2012. Closing date for applications is on 23 March 2012 and the authority aims to finalize the licensing process on 30 April 2012. The

2.6GHz band is already available for allocation, while the 800MHz 'digital dividend' band (790MHz-862MHz), suitable for rural network rollouts, will become available through the country's move from analogue to digital broadcasting, scheduled to begin in April 2012. As reported by Independent Online, Dumisa Ngwenya, general manager for technology at ICASA, said that license winners in both the 2.6GHz and 800MHz bands would have to provide a wholesale open access network. These licensees would also have to complete 70% geographic coverage in five years, of which 50% must exclude metropolitan cities in Gauteng, Cape Town and Durban. 2.6GHz-only licensees must have 50% population coverage in four years. Qualifying requirements include that companies must be electronic communication network services (ECNS) license holders in South Africa with a minimum of 30% ownership by historically disadvantaged individuals (HDI); the report points out that Vodacom South Africa does not meet the latter requirement. (December 15, 2011)97

Minister of Communications is looking to speed up the issue of mobile spectrum. The ministry opened two public consultations on the issue. The first is on directing ICASA to 'fast track' the finalization of the methodology for issuing spectrum in the 2.6 GHz bands, and the second looks at how to use the digital dividend spectrum in the frequency bands 174-230MHz and 470-790MHz. Comments are due within 30 days. ICASA this week released a new spectrum plan and is aiming to accept bids for new licenses by March. (December 15, 2011)98

The telecoms regulator, ICASA has sent staff into the offices owned by steel giant, ArcelorMittal in Pretoria West for illegal use of radio frequency spectrum. The regulator says that it initiated an investigation into the company about three weeks ago and an inspection on November 24, 2011. During the inspection, the company failed to produce licenses for the radio equipment (repeaters, simplexes and telemetry systems; and mobile hand-held radios) that are currently being used. The company was given 7-days written notice to pay an estimated R2m in license fees for using the spectrum without authorization, and the notice expired on December 1, 2011. In executing a warrant issued by the Pretoria Magistrate's Court, the Authority seized 5 repeaters and 6 mobile hand-held radios at the company's Pretoria West office and said that it will continue to visit other offices of the company in other parts of the country for continued seizure. (December 5, 2011)99

## Tanzania

The Communication Regulatory Authority (TCRA) will not intervene in regulating retail prices, arguing that the cost of mobile calls in the country is better determined by market forces. TCRA's communications manager Innocent Mungy said that whilst the watchdog does control interconnection charges, stepping in to regulate retail call prices could ultimately prove costly to subscribers. Mungy argues that it is free competition that has driven down call tariffs in the



country – in some instances to as little as TZS1 (US\$0.00062) per second. 'If we limit the operators at TZS5 per second, for example, would they reduce their tariffs to TZS1 per second, as they have sometimes been doing?' the official said. Critics of the decision not to intervene are calling for some kind of retail regulation though, and suggest that as things stand, the possibility of cartels developing exists. Tanzanians are currently facing a rise in mobile phone tariffs due to rising inflation and a weak shilling. A number of incumbent cellcos have pulled discount promotions and increased calling tariffs in recent months, blaming inflation for the decision, and in the process ended the price war between rival operators that had delivered ultra low-cost calls to end users in the period May 2010 to August 2011. Inflation rose from about 4.2% in October 2010 to 17% now. (December 9, 2011)<sup>100</sup>

## Nigeria

Nigeria will continue to be Africa's biggest mobile market by subscriptions, with a forecast of 152.09 million subscriber base by 2016, according to a research by Informa Telecoms and Media. The report said Africa has become the second most connected region in the world in terms of mobile subscription count, up from fourth place last year. It added that there were over 616 million mobile subscriptions in Africa at the end of September, which means that the mobile market on the continent is second only to Asia-Pacific in terms of numbers. Africa's mobile-subscription count overtook that of Western Europe during the second quarter of 2011 and then overtook the Americas in the third quarter of 2011. At the end of 2010, less than a year ago, Africa was the fourth largest regional mobile market by subscriptions, coming after Asia-Pacific, Western Europe and the Americas. "The combination in Africa of a still relatively immature telecom market with factors including population growth, strong competition among providers and the increasing affordability of mobile devices, explains Africa's move up the regional mobile-market rankings as well as its strong growth forecast. "Africa's mobile market is heading towards a major landmark: the number of mobile subscriptions on the continent will cross the one billion mark in 2016, according to our latest forecast," Head of Mobile Research for the Middle East and Africa at Informa Telecoms and Media, Matthew Reed, said. Africa will retain its position as the second biggest regional mobile market by subscriptions, according to Informa's forecasts for the coming five years. However, there is a strong trend for Africa mobile subscribers to have multiple SIM cards and consequently the number of unique users of mobile services on the continent is smaller than the number of subscriptions. The number of unique users in Africa at end-2016 is forecasted to be 572.35 million. While Nigeria will be Africa's biggest mobile market by subscriptions at end-2016, Egypt will hold on to its position as Africa's second-biggest mobile market, with a forecasted 118.03 million subscriptions at end-2016. South Africa, the continent's third largest mobile market, will have 80.56 million mobile subscriptions at end-2016. According to the report, Africa is forecast to have a mobile penetration

rate of 86.92 per cent at end-2016, still lower than in other regions. Reed stressed that as the African market matures, the retention of existing customers will become increasingly important. (December 2, 2011)<sup>101</sup>

## Australia

The Australian Competition and Consumer Commission (ACCC) has revoked a ruling which exempted fixed line incumbent Telstra from providing a range of wholesale services at more than 200 exchanges. Having completed a public inquiry examining the geographic exemption provisions of Wholesale Line Rental (WLR), Local Carriage Services (LCS) and PSTN Originating Access (PSTN OA) services, the regulator has said it will vary final access determinations (FADs) to remove the exemptions. The ACCC said its analysis had found three key reasons for reversing its previous ruling, with the first of those being 'uncertainty surrounding the timing and location of the rollout of the National Broadband Network (NBN), and subsequent decommissioning of the copper network.' The regulator argued such uncertainty had increased the risks associated with investing in copper-based infrastructure, reducing the likelihood of access seeker investments in traditional copper-based voice-capability. Further, the ACCC also noted that Telstra remains the main provider of wholesale voice-only services, and claims there remains 'little prospect of a wholesale market developing in voice-only resale services in the exempt areas'. Finally, the watchdog pointed to the incumbent's continued dominance in the retail markets as 'limiting the effectiveness of retail competition in restraining Telstra's exercise of its wholesale market power'. Following the ACCC's latest decision in the matter, the supply of WLR, LCS and PSTN OA services in those currently exempt Exchange Service Areas (ESAs) has in effect be re-regulated, and both Telstra and alternative operators offering such services are once again required to offer them at the regulated price and non-price terms and conditions set out in the FADs. Commenting on the development, ACCC chairman Rod Sims noted: 'The ACCC believes that removing the exemptions will promote competition, the efficient use of and investment in infrastructure, and the long-term interests of end-users ... Telstra is currently exercising its market power to charge WLR prices that are significantly above supply costs in the exempt areas. There is a strong case for removing the exemptions.' In July 2011 the ACCC was revealed to be reconsidering its previous exemption rulings amid claims that some of the exchanges in question were not meeting the requirements set out. The ACCC in August 2008 had exempted Telstra from its obligation to supply WLR and LCS in 248 ESAs, following this in October that year by exempting Telstra from PSTN Originating and Terminating Access (PSTNOTA) obligations in the same 248 areas. Unhappy with the decision, broadband operator iiNet appealed to the Australian Competition Tribunal (ACT) to have the regulator's ruling reversed – an appeal it won – only for Telstra to appeal the ACT's decision in the Federal Court. In March 2009 the court passed the matter back into the hands of the ACT, saying the

tribunal had made a number of errors in its original findings, and having been tasked with investigating the issue once more, in September 2009 the ACT released its revised findings, this time reiterating the standpoint of the ACCC that there was in fact a case for lessening regulation regarding access to Telstra's wholesale voice services in certain metropolitan areas. Subsequently, it was not until June 2010 that the ACCC completed the first round of calculations regarding possible exchanges that could be exempted, at which date it then published a list of 129 ESAs that had met the requirements of the ACT's orders to become 'Exemption ESAs'; the exemptions did not take effect until 30 December 2010. A second round of exemptions calculations was subsequently announced in December 2010, at which date the ACCC added a further 52 ESAs to the exempted list, with the new areas freed from standard access obligations for the provision of WLR, LCS and PSTN OA services from 30 June 2011. (December 16, 2011)102

The Australian Competition and Consumer Commission (ACCC) has confirmed the receipt of a revised Structural Separation Undertaking (SSU) from fixed line incumbent Telstra. Commenting on the updated document, the regulator's chairman Rod Sims noted: 'The ACCC welcomes the substantial revisions and additional commitments that Telstra has made in order to address ACCC and industry concerns about equivalence and transparency ... However, it has become apparent through this and other processes that there are outstanding regulatory concerns in relation to wholesale ADSL services.' The ACCC says it is now giving 'urgent consideration' to launching a public inquiry into the declaration of wholesale ADSL, while noting that it is still finalizing an examination regarding the possible variation of exemption provisions in the final access determinations for Wholesale Line Rental (WLR), Local Call Service (LCS) and Public Switched Telephone Network Originating Access (PSTN OA) services. 'Provided that the outstanding concerns around wholesale ADSL can be quickly resolved, the ACCC is otherwise minded to accept the undertaking, subject to any new issues of real substance or drafting matters arising in the course of this final round of consultation,' Mr. Sims added. It is understood that the ACCC will now invite comments from interested parties on the revised undertaking, and it is expected to issue a discussion paper regarding the matter shortly. The consultation period will close in mid-January 2012 and a final decision on Telstra's SSU is likely to be made the following month. (December 9, 2011)103

## Russia

Russian national telecommunications regulator Roskomnadzor has approved the launch of pilot areas for LTE testing in the 1,710-1,880MHz band. The decision was taken after proposals submitted by mobile operators Tele2 Russia and Smarts. The testing can be carried out until March 2012. (December 21, 2011)104 [www.telecompaper.com](http://www.telecompaper.com)

## Korea

The Korean Communications Commissions (KCC) has denied the applications of two companies that had been vying to receive the nation's fourth mobile license. Internet Space Time (IST) and Korea Mobile Internet (KMI) have both failed to receive a high enough score in the screening process to convince the regulator to hand them a license to operate WiBro services. KMI has now tried and failed three times to secure the required approval to operate a network using the WiBro standard, a homegrown variant of Wimax. KCC is yet to be convinced about KMI's business model or its shareholder structure. As for IST, its application was reportedly rejected due to the decision of proposed key investor Hyundai Group to withdraw its support for the project. KCC had been seeking to allocate a fourth mobile license, in a bid to drive prices down by stimulating competition into the sector. Operators including Korea Telecom earlier this year reduced their base rates due to the pressure from regulators to reduce prices for consumers. (December 19, 2011)105

## Philippine

The National Telecommunications Commission (NTC) has filed proceeding against the country's three biggest mobile operators – Smart Communications, Globe Telecom and Digital Mobile (Sun Cellular) – over their failure to reduce SMS rates under an NTC directive. News service 24 Oras quotes NTC director Ed Cabarios as saying the commission will now decide what legal action to enforce against the three companies. 'If a public telecom entity violates the terms and conditions of the authority, they can impose fine,' he added. SMS rates were expected to go down from PHP1 (US\$0.023) to PHP0.80 from November 30, 2011, but consumers have complained that the lower prices did not take effect. (December 13, 2011)106

The National Telecommunications Commission (NTC) has approved the proposed sale and transfer of cash-strapped Bayan Telecommunications (Bayan's) assets to fellow operator Multimedia Telephony Inc (MTI). The NTC commissioner Gamaliel Cordoba said that, having checked and reviewed the details of the application, the watchdog has given the go-ahead concerning 'the omnibus application for authority to transfer local exchange carrier services (LEC), as well as for the issuance of provisional authority and for the issuance of a certificate of public convenience and necessity, in favor of MTI'. It is understood that on May 20, 2011 Bayan and MTI submitted documents to support the proposed sale and transfer, including incorporation papers and the rehabilitation court's resolution approving the sale of Bayan's CDMA equipment to MTI. The Business Mirror notes that Bayan was required to seek the court's approval since it was placed under rehabilitation for unpaid debts amounting to US\$325 million. Lopez-owned Bayan said in a statement: 'The purpose of this submission is to prove that Bayan and MTI each have the requisite legal capacity to enter into agreements for the sale and transfer of its WILL assets and

related rights and interests to MTI; that MTI has the legal capacity to take over the LEC operations of Bayan; to prove that the required corporate approvals have been obtained; and that the rehabilitation court has issued a resolution approving the sale and transfer of Bayan's CDMA equipment to MTI.' The NTC has now rubber-stamped the deal in the wake of the review of the financial capability of both companies, as well as the technical and economic viability of the proposed transaction. As such, Bayan's assets – including the licenses, permits for WiLL equipment and other authorities for its 'Bayan Wireless Landline' service – will pass to MTI. Bayan's WiLL service uses the CDMA platform, the same technology being used by MTI, which will also assume all of Bayan's liabilities and a base of around 200,000 WiLL subscribers – more than MTI's own customer base. (December 8, 2011)107

The reduction in text messaging charges is set to be implemented by telecommunications companies by next week at the latest, according to a National Telecommunications Commission (NTC) official. NTC Director Edgardo Cabarios said the telcos have agreed with the Commission's interpretation of its directive in reducing the interconnection charges from P0.35 to P0.15 per message. He said the lower SMS fees will be implemented either Friday or next week. The NTC earlier insisted that the P 0.20 reduction in interconnection charges should result in Smart Communications Inc., Globe Telecom Inc. and Sun Cellular lowering their regular text rates to P0.80 from the current P1. However, telcos refused to heed the NTC directive, insisting that based on promos and bucket offerings, the average text rate is already around P0.10 per message, way below the P0.80 rate being asked by the NTC. But the NTC countered that the order does not refer to promo or bucket pricing, but regular text message fees which is still P1 per message. According to NTC data, around 93% of the total cellphone users in the Philippines, or roughly 88 million, are prepaid users who are availing of various promos. Only 3% are postpaid users, while the remaining 4% are prepaid users who do not avail of any promo. The NTC said the order will benefit some 3.5 million prepaid users who do not avail of the promos. (December 7, 2011)108

## Thailand

The National Broadcasting and Telecommunications Commission (NBTC) is expected to finalize in March all details of the plan to auction the licenses to use 3G and 4G spectrum bands, NBTC commissioner Colonel Settapong Malisuwan said. He added that the licensing details would include the 2.1GHz spectrum for providing the 3G cellular broadband service, the 2.3GHz for offering the 4G service, and the 1.8GHz spectrum for providing either the 3G or 4G service. The details will also include the number of 2.1GHz licenses to be available, the license price, and the details to prevent the spectrum monopoly. It will also tell the potential bidders if after winning the 2.1GHz licenses, they can still be eligible to bid for more cellular spectrum licenses.

Settapong, who is chairman of the NBTC's telecom committee, said the telecom committee intends to call for bids for the 2.1GHz licenses within the third quarter of next year. He added that the NBTC would develop the 2.1GHz license auction plan, based on the existing auction plan devised by the now defunct National Telecommunications Commission (NTC). The telecom committee will ask for the NBTC board's approval to set up its own subpanel to draft the 2.1GHz spectrum auction plan, comprising experts and five members of the telecom committee. Settapong will be chairman of this subcommittee. He added that the final auction details of the 2.1GHz license are expected to be finalized in February. He said that it is possible the NBTC would auction the 2.3GHz-2.4GHz spectrum licenses in 2013 or 2014. But whether the watchdog can do so depends on it reclaiming some of this spectrum band from their state holders first for reallocation. The country's 2.3GHz-2.4GHz spectrum band contains a bandwidth of 100MHz. Of the total, 60MHz bandwidth is owned by TOT and the rest is jointly held by military agencies. Settapong added that if the NBTC could reclaim only 30MHz bandwidth from TOT, this bandwidth amount is enough to be put on auction. The NBTC will have to set up the committee to negotiate with all state spectrum holders to reclaim their spectra for reallocation. And this why it takes time before the NBTC can reclaim the 2.3GHz-2.4GHz spectrum for auction. For the 1.8GHz spectrum auction, TrueMove and Digital Phone Co (DPC) will have to return their 1.8GHz spectrum to NBTC for reallocation once their concessions end in 2013. Each of their spectrum contains 12.5MHz bandwidth amount. The NBTC telecom committee will also ask for the NBTC board's approval to set up a panel to prepare to take back the concessioned spectra from the private concession holders. The panel is expected to start working in January. Settapong said the telecom committee has already discussed the matter with TrueMove and DPC and is waiting for them to propose their plans on how they would handle the customer transfer once their concessions end. The NBTC will also have to prepare the interim licenses for them to continue to operate on the 1.8GHz spectrum during the transfer of their customers to any desired networks once their concessions end. The NBTC will determine the terms of the interim licenses for them based on their proposed details of the customer transfer. Settapong added that NBTC has prepared well for the possible legal challenges at the planned license auction. He said the NBTC has no worry that any party would challenge its licensing authority as the watchdog has full regulatory power to grant the spectrum licenses. The NBTC's telecom committee will also propose its final draft of the telecom master plan for the NBTC board's approval next week. He expected that the spectrum management plan, the broadcasting master plan and the telecom master plan will be published in the Royal Gazette in March to pave the way for the license auction. (December 22, 2011)109

The National Broadcasting and Telecommunications Commission (NBTC), will auction off the 3G licenses next year, after years of delays. An attempt to hold it last September was blocked by a last-minute court order. There

are some operators in Thailand that already provide 3G services, but this only happened after they refarmed their existing 2G radio spectrum. The regulator is now expected to hold a public hearing in January on the draft of a spectrum-management master plan, including the 2.1GHz spectrum for 3G. The draft is expected to be completed by April next year. NBTC member Sutipol Thaweekhaikarn said that the regulator would ensure that bidding would be conducted with utmost transparency and maximum benefit for the country. (December 9, 2011)<sup>110</sup>

The National Broadcasting and Telecommunication Commission (NBTC) board plans to strengthen its collaboration with the ICT Ministry to streamline policy, saying the initial move will be via a memorandum of understanding next week. Chairman of NBTC said the MoU between regulator and the ICT Ministry would focus on policies involving the frequency allocation law and removing duplications and complexities in regulations. "We want to make sure we are moving in the same direction to serve the public more effectively," said the NBTC chairman. "I heard some government employees took issue with regulations passed by the old National Telecommunication Commission, especially if they conflicted with ICT policies. We don't want this to happen." The NBTC is responsible for governing telecommunication and broadcasting under the frequency allocation law, and it just approved a draft of the master plan for frequency management last month. The master plan will be used to regulate telecom and broadcasting industries and businesses. The NBTC will release details of the plan on its website in order to gauge public opinion and hold a public hearing on the plan over the next three to four months. After gathering public opinion, if there are no major changes, the plan will take effect in April. The NBTC plans to hold an auction for 3G licenses for wireless mobile at the 2100-MHz frequency by mid-2012. ICT minister said the agency is drafting an infrastructure-sharing framework and plans to set up a new unit to serve government policies. The concept is to reduce the redundancy of infrastructure investment, initially focusing on fixed networks, while avoiding mobile concession issues. The ministry is also working on a plan to allow all Thais to access telecom and broadband services. The minister discussed the issue with the National Economic and Social Development Board and it supports the plan if it can reduce the costs of redundancy for infrastructure investment. An obstacle is that each department has its own rules and regulations. (December 9, 2011)<sup>111</sup>

The National Broadcasting and Telecommunications Commission (NBTC) is aiming at auctioning the much-anticipated 2.1GHz spectrum licenses next year. The 2.1GHz spectrum is the international standard for third-generation cellular service. NBTC member Sutipol Thaweekhaikarn said that the watchdog would ensure that the bidding would be conducted with utmost transparency and maximum benefit for the country. The commission has completed its spectrum-management master plan, which is expected to

be put to a public hearing early in the new year. It is also drafting telecom and broadcasting master plans. Next year the NBTC's telecommunications committee will study the possible impact of the approaching ends of the telecom concessions, the contracts under which private operators provide cellular service. The concessions of TrueMove and Digital Phone Co expire in 2013, of Advanced Info Service in 2015 and of Total Access Communication (DTAC) in 2018. After the concessions end, the spectra have to be returned to the NBTC for reallocation. The telecom committee will focus on drawing up satellite business licensing regulations and preparing the spectra to use new technology. It will study ways to issue the licenses to provide converged broadcasting and telecom services. It will review telecom service fees and promote possible network resource sharing among telecom operators. It will also improve the dispute-arbitration process. All of these activities reflect the telecom committee's proactive efforts to push the telecommunications industry forward, Sutipol said. The NBTC plans to review all existing regulations within two years to bring them in line with the present industry environment and to enhance its enforcement powers. Many regulations were enacted under the now-defunct National Telecommunications Commission (NTC), which was established more than six years ago. The NBTC will begin with the regulations that have been the target of complaints from telecom operators and consumers as well as those proposed for review by its staff, he said. Sutipol, who is in charge of the regulations review, said one urgent priority was to amend the NTC's resolution regarding roaming contracts for international voice and data service between local and foreign telecom operators. The regulation calls for any disputes stemming from these contracts to be settled under Thai law only. The international practice should be applied instead to solve the disputes under these contracts, he said. The NBTC will also rush the drafting of the standard telecom service contract to serve as the basis for contracts between local telecom operators and customers. Regulations governing telecom service contracts were issued by the NTC but they have yet to be enforced because of the lack of a standard format. One key point in the regulations is that telecom operators are prohibited from setting an expiry date for prepaid call services. As part of the regulations review, the NBTC recently held a public hearing with specific groups of people on the regulations preventing foreign dominance in telecom operators. The hearing was prompted by opposition from many parties to the regulations issued by the NTC in August. They claim that the regulations would disrupt foreign investment and might contravene Thailand's commitments with global trade organizations. The existing administrative structures of the NBTC broadcasting and telecom committees should also be merged within two years to conform to the present era of converged telecom and broadcasting technologies, Sutipol said. (December 8, 2011)<sup>112</sup>

## China

China Telecom Corp. (CHA) said it gave Chinese regulatory authorities a proposal to improve its interconnection with other backbone network operators, and requested that the regulators suspend an investigation into the company's pricing for Internet dedicated leased line access. China Telecom said in a statement a self-evaluation found the company's interconnection with other operators didn't "fully meet the quality requirements of relevant governing authorities," and that it would improve the quality through prompt capacity expansion with other operators. China Telecom also said it would examine its existing agreements and cut its tariff standard when appropriate. State-run CCTV reported in early November that China's National Development and Reform Commission was investigating alleged monopolistic policies in the broadband Internet market by China Telecom and China Unicom (Hong Kong) Ltd. (CHU). CCTV said at the time that if the allegations were proven, the companies could be fined 1% to 10% of their 2010 operating revenue. (December 2, 2011)113

## Malaysia

More than a year after first announcing plans to hand a number of operators spectrum in the 2.6GHz band, the Malaysian Communications and Multimedia Commission (MCMC) has confirmed that nine companies will indeed gain new frequencies. However, the blocks of spectrum which will be handed out will be smaller than originally planned. Newcomer Puncak Semangat Sdn Bhd will be given the largest amount of spectrum, with the regulator to hand it a 30MHz, Long Term Evolution-suitable (LTE) block in the 2.6GHz band. Seven of the other eight players meanwhile will be assigned a 20MHz block in the same frequency band, with those being mobile network operators Celcom Axiata, DiGi Telecommunications, Maxis Communications and U Mobile, and WiMAX operators Packet One (P1), REDtone and YTL Communications. Rounding out the companies to benefit from the new allocations, Asiaspace, despite reportedly have ceased offering WiMAX services over a year ago, will be handed a 10MHz block of 2.6GHz spectrum. According to the report award letters were issued to all of the aforementioned operators back on December 2, and each has now been given until December 15 to submit their respective business plans for the spectrum's use. Alongside this submission, all nine companies will be required to raise an irrecoverable bank guarantee of MYR2.5 million (US\$792,000) for each 5MHz of spectrum they will be allocated. The spectrum itself meanwhile will not actually be assigned until January 1, 2013. (December 12, 2011)114

## India

Department of Telecommunications (DoT) has ordered mobile operators Bharti Airtel, Vodafone India and Idea Cellular to immediately stop 3G services in telecommunication circles where they do not have spectrum, reports the Business Standard. The three

operators have roaming pacts and offer pan-India 3G mobile services without having spectrum in several circles. DoT has arrived at the conclusion that 3G roaming deals are in violation of the terms and conditions of their licenses. Under the rules, an operator can be fined INR 500 million per circle at the most for any violation of license conditions, and the license can be withdrawn in extreme cases. The DoT has yet to decide what action will be taken for violation of the license conditions. The operators immediately challenged the action at the TDSAT telecoms tribunal, and the tribunal agreed to stay the DoT order until a hearing on 03 January. (December 27, 2011)115

India's telecom regulator released a consultation paper on "Allocation of Spectrum Resources for Residential and Enterprise Intra-telecommunication Requirements/cordless telecommunication system (CTS)." The Telecom Regulatory Authority of India (TRAI) has sought written comments on the issues raised in the consultation paper from the stakeholders by January 31 and counter comments on the comments by February 10. Due to the proliferation of mobile communication devices over the last decade, the landscape of India's telecom network has changed significantly. However, similar growth has not been observed in residential and enterprise intra-telecommunication/cordless telecommunication system (CTS) in the country, the regulator stated. "This has been attributed primarily to limited wireless options available in the market. For intra-telecommunication requirements for residential and enterprises, wireless platform is the most widely used solution, which also compliments wireline networking solutions. The majority of wireless based PABX solutions available in the Indian market operates in 2.4GHz de-licensed ISM band, which is also being used for other host of data applications (wireless LAN, etc.);" the paper further stated. The consultation paper discusses the issues of current allocation of spectrum for CTS, requirement for identification of additional band of spectrum, possibility of unlicensing the 1800-1900MHz or 1910-1920MHz band for low power CTS applications and its coexistence issues with the existing cellular systems using adjacent band. (December 26, 2011)116

India's Telecom Disputes Settlement & Appellate Tribunal (TDSAT) has restrained the telecom ministry from taking any "coercive" steps until Jan. 3 against the telecom companies for entering into 3G roaming pacts. The telcos had jointly appealed to the TDSAT against the ministry's order. The ministry, last week, had asked the telecom operators to discontinue their agreements. The ministry's decision came after the Telecom Regulatory Authority of India, the Department of Telecom and the Law Ministry said such agreements violate the terms and conditions of the telecom licenses these companies hold. Tata Teleservices and Aircel recently scrapped their roaming agreement for offering services in each other's circles. Other operators like Bharti Airtel, Vodafone and Idea Cellular too have entered into such deals. These private players entered into 3G roaming deals with each other to offer services in areas for which

they have not paid any license fees. Only government-owned MTNL and BSNL have acquired pan-India licenses for offering 3G services. Private telecom players like Bharti Airtel, Idea Cellular, Vodafone, Reliance Telecom, Tata Teleservices and Aircel only bid for selective circles. (December 26, 2011)117

India will this week decide what action to take over allegations that local operators had forged national 3G roaming pacts in violation of their license terms. The country's Department of Telecoms (DoT), which claims the roaming agreements result in a significant loss of revenue for the government, is reported to have sought legal advice from India's Law Ministry, which has backed its view to take action. "The broad view that is emerging is that it is impermissible," said India's Telecoms Secretary R Chandrashekhar. One punitive measure being considered is to increase operator revenue shares to the government in regions where 3G roaming alliances are in place to compensate for possible revenue losses. It has been suggested that the government could see an additional INR7 billion (US\$134 million) in revenue if the proposal is adopted. Such roaming deals are seen as a way for the operators to offer a nationwide 3G service as none were able to secure 3G spectrum covering the entire country at auction last year. One of the largest 3G alliances is between Bharti Airtel, Vodafone Essar and Idea Cellular. In a joint letter to the Indian prime minister last month, these three operators demanded that their 3G licence fees be refunded if the government goes ahead with plans to outlaw national roaming agreements between 3G operators. The firms claim that the government had given "pre-auction confirmation" that 3G roaming would be allowed and that to ban it would be in breach of contract. (December 13, 2011)118

The Telecom Disputes Settlement and Appellate Tribunal (TDSAT) has ordered fixed line operators Bharti Airtel and Tata Communications to pay 10% of a INR500 million (US\$9.31 million) fine that has been levied against each of them for alleged violation of the terms of their respective international long-distance (ILD) licenses. The tribunal has directed the two telcos to pay INR50 million each to the Department of Telecommunications (DoT) within two weeks; the regulator imposed the fine after both provided international private lease circuits to SingTel, allegedly violating the terms and conditions of their ILD concessions. (December 13, 2011)119

India's total of telephone subscribers (wireless and wireline) increased to 914.6 million at the end of October from 906.9 million the previous month, the Telecom Regulatory Authority of India (TRAI) reported. The country's wireless subscriber base grew to 881.4 million from 873.6 million in September, an increase of 0.89%. The overall wireless teledensity in India reached 73.27. The wireline subscriber base declined from 33.3 million in September to 33.2 million in October. Overall wireline teledensity in India marginally declined to 2.76, TRAI said. The broadband subscriber base

grew from 12.8 million in September to nearly 13 million in October, an increase of 1.03%. Mobile Number Portability (MNP) requests increased from 20.6 million in September to 23.2 million in October, TRAI reported. About 2.5 million MNP requests were made in October alone. Uninor led the growth in the wireless subscriber base by adding 2.6 million new users in October, bringing its subscriber base to 32.3 million users. Idea Cellular added 1.6 million new users, bringing its subscriber base to 101.8 million. Reliance Communications was next with just over 1 million new subscribers during October. Its subscriber base reached 148.1 million. Bharti Airtel added 940,000 new users during October, and its subscriber base reached 173.7 million. Vodafone added 920,000 subscribers during October, and its subscriber base was 145.9 million. (December 9, 2011)120

The Indian government is pushing for a framework to prevent content deemed offensive to religious communities and other groups from appearing online, Minister of Communications and Information Technology Kapil Sibal said. "What we will do about this is something we will discuss within the ministry and ensure that in time to come this kind of material should not be allowed and should be disabled as and when it's brought to our notice," minister told. Sibal said while the government isn't interested in shutting anyone down, the matter is of "grave concern." The minister's comments come a day after Internet companies such as Google Inc., Microsoft Corp. and Facebook told the government that they can't block content. Sibal said the companies had failed to arrive at a consensus with the government on the issue of self-censorship of online content despite a series of meetings. India has proposed some tough restrictions on Internet content, which has come in for criticism from civil rights advocates who say these rules amount to a crackdown on free speech on the Web. Google said the company takes down content if it's illegal or violates its own terms and conditions. "But when content is legal and doesn't violate our policies, we won't remove it just because it's controversial, as we believe that people's differing views, so long as they're legal, should be respected and protected," Google said in a statement. Facebook said it already has policies and on-site features in place that enable people to report abusive content. "We recognize the government's interest in minimizing the amount of abusive content that is available online and will continue to engage with the Indian authorities as they debate this important issue," Facebook said in a statement. Microsoft wasn't immediately available for comment. Internet companies broadly see India as a potentially massive market. In a study last year, boutique investment bank Caris & Co. predicted India will have 180 million to 200 million Internet users by 2015. In India, there isn't the same kind of outright censorship or widespread blocking of sites as in China, but companies like Google face demands from police and government authorities to remove content deemed offensive, such as material that disparages leading politicians or religious figures. (December 6, 2011)121

According to the Telecom Regulatory Authority of India (TRAI) the subscriber base of Indian telcos increased by 7.9 million new users in September; an increase of 0.9% from August. Total wireless subscriber base in the country was 865.7 million in August and it went up to 873.6 million at the end of September. The total telephone subscribers in India increased to 906.9 million at the end of September 2011 from 899.8 million at the end of August 2011. The Indian regulator stated that the overall teledensity in the country reached to 75.48 at the end of September 2011 from 74.96 in the previous month. According to TRAI, the wireless subscriber base in the country declined from 34.1 million at the end of August 2011 to 33.31 million at the end of September 2011. The overall wireline teledensity marginally declined to 2.8. India's broadband subscription reached 12.8 million in September 2011 from 12.7 million in August 2011, showing a monthly growth of 1.2%. The Mobile Number Portability (MNP) requests increased from about 18 million subscribers at the end of August to 20.6 million at the end of September. About 2.5 million MNP requests were received in September alone. Uninor led the growth in the wireless subscriber base by adding 1.9 million new users, with its total subscriber base reaching 29.6 million users at the end of September 2011. Idea Cellular added 1.7 million new users, bringing its total subscriber base at 100.2 million. Reliance Communications was next with 1.02 million new subscribers during September. Its total subscriber base reached 147.1 million. Bharti Airtel added 930,000 new users during September, and its total subscriber base reached 172.3 million. Vodafone added 840,000 subscribers during September, and its total subscriber base was 145 million. (December 5, 2011)122

## Albania

Minister of Information and Communication Technology has announced plans to award a third 3G concession by February 2012, reports local news source Scan-TV. The decision was made with the intention of reducing end-user prices and a tender is due to be launched shortly. Regulatory authorities in Albania have come under fire in the past for their approach to 3G licensing: all four wireless operators, Vodafone Albania, Albania Mobile Communications (AMC), Eagle Mobile and PLUS Communications opposed the auction for the first, single concession, instead favoring multiple simultaneous authorizations. The telecoms watchdog, Authority of Electronic and Postal Communications (AKEP), paid little heed to the protests, and Vodafone went on to win the de facto 3G monopoly in November 2010 with a bid of EUR31.4 million (US\$43.79 million), more than twice the EUR12.5 million price tag. The 3G segment caught its first glimpse of liberalization the following September, when AMC secured the second license for US\$21.3 million. PLUS Communications has been the most vociferous proponent of a fully liberalized sector, and in late September it accused AKEP of worsening conditions for competition by creating a duopoly. It maintained its position that an open market would improve the quality of services, and ensure affordable prices to customers. (December 22, 2011)123

### **Javid Akhtar Malik**

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## TOP TECHNOLOGY UPDATES

### **Sprint Nextel Outlines LTE Deployment Plans**

Sprint Nextel announced that the company's first LTE coverage will go live in Dallas, Atlanta, Houston and San Antonio in the first half of 2012. "Within the first half of 2012, Sprint customers should experience first-hand the wide-reaching improvements we have made in terms of boosting voice and data quality," said the Vice President. Sprint's Network Vision platform involves the deployment of multimode base stations across many of Sprint's cell sites throughout the country. As base stations are deployed, customers are expected to notice immediate improvements in voice quality, signal density and data speeds. The first completed deployment of a multimode base station was in Branchburg, N.J., in December 2011. As additional areas receive 3G enhancements and LTE service, announcements will be made. Another component of Sprint's network strategy has been the deployment of Sprint Direct Connect on the CDMA network. Sprint's legacy in push-to-talk continues with new CDMA devices that launched in September, 2011.

### **AT&T Rolls Out 4G LTE Service in Eleven New Areas**

AT&T, a leading mobile network service provider in the U.S. has rolled out 4G LTE (Long Term Evolution) services in 11 additional markets including New York City, taking the total coverage area to 26 markets inclusive of 74 million customers. According to company reports, the new markets where the 4G LTE service is available includes the New York City metro area, Austin, Chapel Hill, Los Angeles, Oakland, Orlando, Phoenix, Raleigh, San Diego, San Francisco and San Jose. President and CEO, AT&T Business Solutions, said that they are building a 4G LTE network that's blazing fast, and will offer dual layers of 4G technologies to provide customers with a more consistent speed experience. He added that their network, together with their unsurpassed 4G device portfolio and innovative applications, will give customers an industry-leading mobile broadband experience. The new services provides AT&T customers a faster and more consistent 4G experience on their compatible devices, even when outside of a 4G LTE area. Further, AT&T is the only network operator to offer three times faster downloads on the Apple iPhone 4S.



## France Raises US\$ 3.45 Billion in 4G Mobile License Auction

Mobile operators Bouygues Telecom, Orange France and SFR were successful in winning 4G mobile licences in the 800 MHz band. According to reports, the Government of France was able to raise US\$ 3.45 billion through this second round of auction. The country's telecommunications regulatory authority, ARCEP, is hopeful that these licenses will help improve the competition in the wireless industry. Sources claim that both Orange and Bouygues Telecom were awarded one frequency block each for US\$ 1.16 billion and 890.3 million respectively. SFR was the only operator successful in acquiring two frequency blocks for US\$ 1.4 billion. Telecom operator Free Mobile was unable to acquire a license, but reports reveal that the operator will be able to offer services on SFR's network under certain conditions.

## NTT Docomo, Chipmakers Set Up LTE Venture

Japanese mobile operator NTT Docomo has signed a basic agreement with five companies - Fujitsu, Fujitsu Semiconductor, NEC, Panasonic Mobile Communications Co and Samsung Electronics Co - to establish a fables joint venture company by the end of March 2012 to develop and sell semiconductor products for mobile devices. The joint venture company, using the six investing companies' backgrounds in mobile communication technology and experience in application specific integrated circuits (ASIC) design and foundry manufacturing, will develop small-size, low-power-consumption semiconductor products equipped with modem functionality. The joint venture company will focus on developing products for LTE and LTE-Advanced mobile communication standards. The products will be sold in markets globally. The envisioned joint venture company will be formed once all parties agree on the details, which are now being worked out through consultation. Docomo plans to invest JPY 450 million to establish a wholly owned subsidiary called Communication Platform Planning Co and headed by CEO Mitsunobu Komori, concurrently an executive vice president and chief technical officer of Docomo.

## China Has 110 Million 3G Mobile Users

According to statistics provided by the three major Chinese telecom operators China Mobile, China Unicom and China Telecom, the number of 3G users largely increased in November 2011, reaching a total of 110 million. China Unicom reported that the number of its newly increased 3G users was over three million for the first time in November 2011, which was also a new height since June this year. China Unicom's 2G users increased by 214,000 to a total of 159.439 million; while its 3G users increased by 3.384 million to 36.534 million. Meanwhile, China Unicom's newly increased 3G users in 2011 have reached 22.474 million. The other two

Chinese telecom operators China Telecom and China Mobile also reported accumulated 3G users of over 30 million. In November 2011, China Telecom gained 3.1 million new mobile users, including 2.16 million 3G users. During the first 11 months of 2011, China Telecom's newly increased 3G users reached 21.06 million and the total number of its 3G users reached 33.35 million by the end of November.

## Telecom Americas to Spend US\$1.88 billion on HSPA+ Expansion

Brazilian mobile operator Telecom America (Claro), a unit of Mexico's America Movil (AM), is spending BRL3.5 billion (US\$1.88 billion) in its networks in 2012, with a primary focus on enhancing and expanding its HSPA+ coverage. In a press release, Claro confirmed its intention to roll out HSPA+ technology to all of its Brazilian users. Recently, Claro rivals Vivo and CTBC Cellular launched their own HSPA+ offerings in Sao Paulo and Minas Gerais states, respectively. Like them, Claro is marketing the 3.5G service as '3G+'. Claro confirmed that its existing 3G users in around 700 Brazilian municipalities will be able to access the new service without altering their service plan or buying a new smartphone. In addition, it says the 3G+ service will also be available to customers of the country's national broadband plan (PNBL). 'We have the largest nationwide 3G+ coverage,' Claro's value added services director, Fiamma Zarife, is quoted as saying. 'Our clients can access [the] internet at initial speeds of up to 3Mbps without having to pay extra. This technology will offer peak speeds of up to 6Mbps before the arrival of 4G.'

## SingTel to Launch 4G Mobile Broadband Service

Singapore Telecommunications Limited (SingTel) has announced 4G mobile broadband service. This service will be the first available to retail customers in Singapore. It will allow users to enjoy theoretical speed of 75 megabits per second, which is over three times faster than the current 3G technology using HSPA technology. The typical download speed will be between 3.4 megabits per second and 12 megabits per second. Local carrier M1 announced the commercial launch of its 4G services in June but it was available to only corporate customers. At the initial stage, the service will provide outdoor coverage in the central financial district, the downtown areas and some of the areas that experience high data usage, like the airport and the MRT stations. In-building coverage is available in major shopping malls. Office buildings such as Republic Plaza and Temasek Tower are also covered. It falls back to 3G services when users roam outside the LTE coverage area. SingTel is planning to expand its network coverage to 80 percent of mobile data users by the end of 2012, and further to 95 percent by the end of 2013.

## Spectrum for Mobile Cellular Services 1900 MHz, 2100 MHz

## Cellular Mobile Phone License 800 MHz

### PAKISTAN TELECOMS MARKET ON THE VERGE TO YET ANOTHER REVOLUTIONARY STEP

Pakistan Telecommunication Authority (PTA) is planning to Auction Frequency Spectrum for Cellular Mobile Broadband Services in March this year. The license for this service will be technology neutral allowing for the deployment of any technology including 3G / 4G / LTE / any other emerging technologies.

*PTA has constituted a special committee for making preparations to conduct the auction in the most possible transparent manner*

PTA has constituted a special committee for making preparations to conduct the auction in the most possible transparent manner. The auction process will be overseen by a joint professional group comprising of public sector stakeholders, including representatives of different

ministries, PTA and FAB amongst others. One cellular mobile license will be auctioned in 800 MHz band while spectrum for technology neutral mobile broadband service (3G, 4G, and LTE) will be auctioned in the 1900/2100 MHz bands.

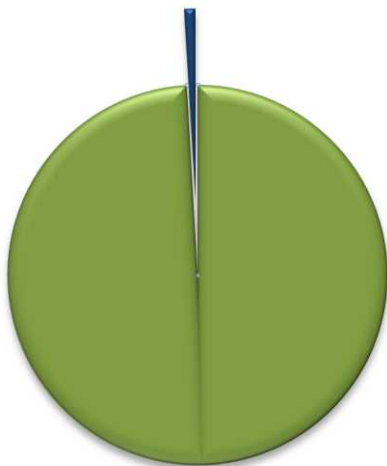
The 800MHz band is a perfect candidate for deploying mobile broadband services for it offers excellent coverage characteristics and is very suitable for providing coverage in rural areas. This feature makes it one of the cost effective band for deploying mobile broadband.

The tremendous growth in Pakistan's telecom sector has attracted several big players from different regions of the world, including China Mobile, Etisalat, Telenor, Warid, Omantel and others. This has resulted in attracting huge foreign direct investments in telecoms and ICT sector of the country. The industry is still growing in terms of subscribers and new technologies like WiMAX, EvDO, FTTH, and other broadband technologies. The cellular operators have launched some innovative value added services as well which has resulted in more revenues. Teledensity has reached almost 70 percent with more than 108 Million cellular subscribers, with the cellular operators making

*The tremendous growth in Pakistan's telecom sector has attracted several big players from different regions of the world*

262,761 million rupees revenues last year making it more than 70 percent of the overall revenues of the telecoms sector. Similarly, the investment in the cellular sector also constituted more than 70 percent of the overall investments in the telecom industry.

### Pakistan: Potential for Broadband



■ Population      ■ Broadband Subscribers

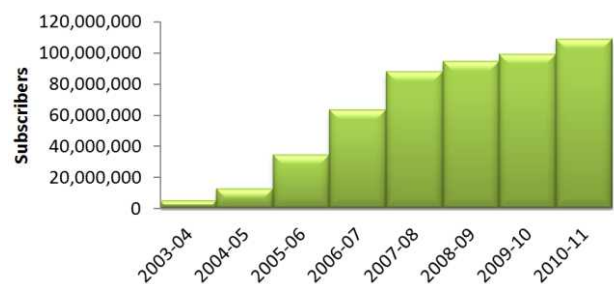
Pakistan's telecom market offers a number of potential opportunities for investors as well as other stake holders of the industry. Nonetheless, the past couple of years have been reasonably challenging mainly because of the global financial crisis as well as the local economic conditions. Predominantly, it was due to these factors that the growth in terms of subscribers for the last two years was relatively slow. The regulatory authority and the operator's community have been trying to stabilize the market with the government giving subsidies in expanding the services to the rural areas to overcome the digital divide.

*Pakistan's telecom market offers a number of potential opportunities for investors as well as other stake holders of the industry*

*Declining trends in operators ARPU is considerably the major concern due to which operators are coming up with some attractive packages*

Declining trends in operators ARPU is considerably the major concern due to which operators are coming up with some attractive packages including friends and family, bulk packages, free on net calls, and free minutes among others. Innovative VAS's have been another horizon that operators are considering to overcome the falling voice ARPU. Currently, the telecom industry in the country has been experiencing a tough competition, mainly in terms of cellular mobile service and broadband offerings. Today, more than 90 percent of the country's population has access to mobile phone services all across the country, though the access is mostly within and around urban areas.

### Pakistan - Celular Subscribers Growth



Growing capex and opex appears to be an emerging issue that has considerably increased the cost of doing business for the telcos. Although, Pakistan is lagging behind in terms of deploying 3G technology, but the recently announced plans for the auction of spectrum for deploying mobile broadband service would bring a revolution in the industry, opening new revenue streams.

*The Pakistani market has enormous potential to attract investors, particularly in the mobile broadband sector*

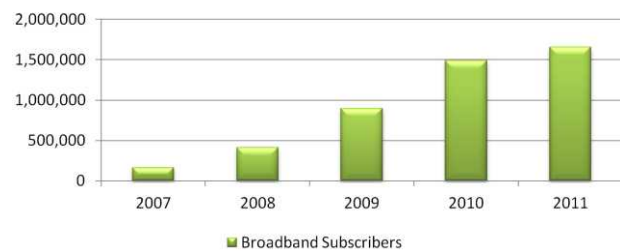
The Pakistani market has enormous potential to attract investors, particularly in the mobile broadband sector. The upcoming spectrum auction is considered to be a major

step towards broadband proliferation the overall progression of the telecoms market. Deployment of mobile broadband service in the country will take the broadband penetration to the next stage thereby providing services capable of generating more revenues. The introduction of 3G service will bring a revolution in the Pakistani telecoms market with the introduction of mobile broadband service by cellular operators thus opening a whole new landscape of applications for end users, and opportunities in terms of revenue streams for operators. It is believed that the country has a strong business case in terms of 3G for it has the best cellular coverage in the region with a huge subscriber base. Currently, there are more than 1.6 million broadband subscribers in the country with the number doubling every year. This signifies the huge potential for mobile broadband with more than 54 percent of the population below 19 years of age, and more than 27 percent between 20 to 39 years. The telecom landscape in Pakistan has changed with the phenomenal expansion of the country's mobile market. Over the period 2002 to 2011 the number of mobile subscribers jumped from less than 2 million to more than 108 million. The overall Internet penetration is still low and broadband penetration has been negligible but during the past few year a considerable increase in the broadband subscription that will be augmented with the introduction of mobile broadband technologies as a result of the upcoming frequency auction.

Pakistan is the most favorable market in terms of doing business, as compared to other markets in the region.

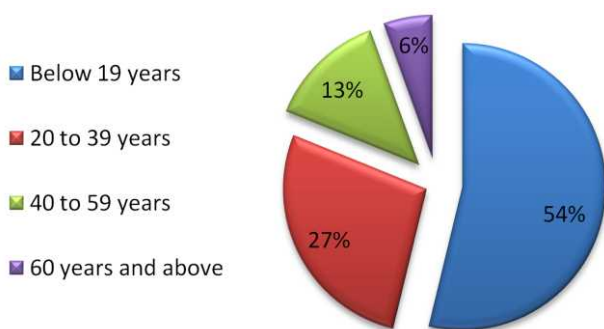
The experience of each market keeping in view the data service in the country with respect to the 3G market is unique due to a number of factors. Nevertheless, the experiences also have much in common and we can therefore draw a number of general conclusions. Customers only care about being able to do what they want to do where they want to do it. Voice works almost ubiquitously and text messaging is in place, which leaves data. Many customers want data and think it should be available ubiquitously, too.

### Pakistan: Broadband Growth

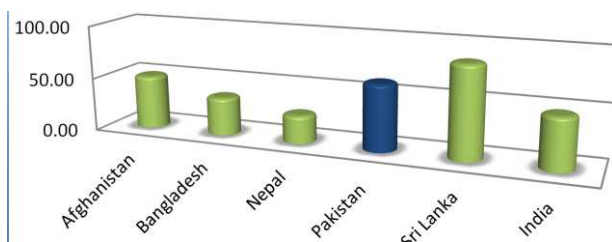


By and large, the 3G industry in the country is expected to realize various important concepts; however the customers don't heed if they are using W-CDMA /HSDPA, CDMA/EV-DO, Mobile WiMAX or something else. Customers only care about being in a position to do what they want to do and where they want to do it. At present, voice works almost ubiquitously and text messaging is all set, which leaves data. Many customers want data and think it should be available ubiquitously, too. The onset of 3G will make that happen, enabling customer to enjoy broadband service on the go. 3G technologies have proven to be the right choice, both developed and emerging markets as it has helped operators' world over to offer gainful, multimedia and content rich services thereby considerably enriching customers' experiences. Compared with emerging markets, data ARPU is quite higher in developed nations, and the difference gets even greater in those markets where operators provide flat-rate data bundles and promote 3G. According to Pyramid Research's forecasts 71 percent of subscriptions in developed markets use 3G handsets in 2012 compared to only 10 percent in emerging markets. Similarly, in 2012, SMS in emerging markets will comprise 45 percent of data ARPS compared to less than a quarter in developed markets. Even with the introduction of 3G services, SMS will continue to make the major share of global mobile data revenue through 2012 and will make a larger impact in the emerging markets.

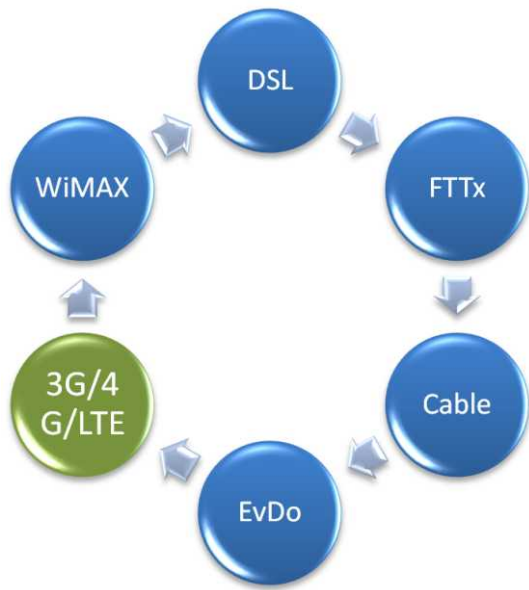
### Market Segmentation in Terms of Potential Subscriber



### Pakistan - 2nd Highest teledensity in South Asia



It is the cellular market that is driving the strength of Pakistan's telecom market and, in turn, it is also resulting in high levels of competition and investment as well as low tariffs and great consumer demand, which are boosting mobile growth. Pakistan has one of the highest mobile penetration rates in the region. Broadband access and



wireless broadband internet has is available in the major cities with the market showing considerable improvement in terms of growth and price reductions. Introduction of mobile broadband service will further expedite the growth resulting in the progression of overall progression of the telecoms & ICT sector.

*Pakistan has one of the highest mobile penetration rates in the South Asia region*



**Zakir Syed**

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SAMENA Telecommunications Council



## SATELLITE NEWS

### Orbcomm Launches Vesselsat2AIS Enabled Satellite

Orbcomm has announced the successful launch of VesselSat2; an Automatic Identification Service (AIS) enabled satellite built by LuxSpace Sarl (LuxSpace), an affiliate of OHB System AG. VesselSat2 was launched by the China Great Wall Industry Corporation from the Tiayuan Satellite Launch Center (TSLC). The satellite was successfully deployed from the Long March launch vehicle into its proper polar orbit. AIS data is used for ship tracking and other maritime navigational and safety efforts. After successful completion of in-orbit testing and check-out, VesselSat2 will expand ORBCOMM's satellite AIS service globally, providing complete global coverage, including the North and South Poles. VesselSat1, which was launched into an equatorial orbit previously, is providing full commercial service, and along with VesselSat2 will provide higher probability of vessel detection, greater refresh rates, and improved message delivery speeds for Orbcomm's AIS users worldwide.

### Globalstar Launches Six Satellites

Satellite voice and data services provider Globalstar has launched six second-generation satellites from the Baikonur Cosmodrome in Kazakhstan. The Globalstar satellites were launched using the Soyuz-Fregat version of the Soyuz launch vehicle. Globalstar reports that all six satellites have been acquired following separation of the Fregat Upper Stage and release from the satellite dispenser. Globalstar has initiated satellite in-orbit testing and all six spacecraft are operating normally at this time. A total of four launches of six satellites each are being conducted by launch services provider Arianespace. The Globalstar second-generation satellite constellation is designed to support the company's current lineup of voice, duplex and simplex data products and services including its lineup of SPOT retail consumer products. The satellites are designed to last for fifteen years.

## Satellite Navigation System Launched

China started to run its own satellite positioning system, Beidou, as the country climbed the global tech ladder and challenged the monopoly of the West. Beidou, or Big Dipper, the domestic version of the US Global Positioning System (GPS), started providing navigation, positioning and timing data on a pilot basis to China and the neighboring area for free. The system, with 10 orbiting satellites, covers an area from Australia in the south to Russia in the north. Signals can reach the Xinjiang Uygur autonomous region in the west and the Pacific Ocean in the east. With six more satellites to be launched next year, the system will cover a wider area and eventually the entire globe by 2020 with a constellation of 35 satellites. The accuracy of the positioning service will also improve as more satellites orbit.

## ITT Exelis Wins US\$121 Million Satellite Communications Contract

ITT Exelis has been awarded a US\$121 million U.S. Army contract to provide mission support to wideband satellite operations centers and management sites around the world. The Wideband Satellite Communications (SATCOM) Operations and Technical Support (WSOTS) contract, awarded by the U.S. Army Space and Missile Defense Command and the Army Forces Strategic Command, Peterson Air Force Base, Colo., includes the base year and six, one-year option periods. As a provider of C4ISR (command, control, communications, computers, intelligence, surveillance and reconnaissance) and technical services for defense and government agencies, Exelis will continue to support global network and computer systems for critical military satellite communications. The cost-plus-fixed-fee contract also calls for operations and maintenance, life-cycle engineering, on-site technical assistance, equipment installation, depot-level repair, logistics, cybersecurity, and training and sustainment.

## MTN Satellite Communications and Erzia Recognized As Top Teleport Operators Of 2011

MTN Satellite Communications (MTN) announced that the World Teleport Association (WTA) ranked the Santander Teleport, a joint venture between MTN and ERZIA Technologies S.L., number one on the Fast Twenty list. WTA recognized the teleport for its 531 percent growth over the past year. Based in Spain, the Santander Teleport serves as a centralized gateway for MTN's VSAT communications, supporting coverage over the Americas, Europe, Africa, the Middle East and Asia. It allows access to C-Band, Ku-Band and Secure X-Band services from a single location for commercial and government organizations. The facility advances network efficiency, reliability and customer service to increase MTN's worldwide infrastructure of teleports and dedicated fiber optics links.

## Glowlink Awarded Major Contract by Us Air Force

Glowlink has been awarded a major competitive contract by the US Air Force for satellite carrier monitoring and interference geolocation capabilities. Under the contract, one of the most significant in the company's history, the Air Force will deploy a worldwide network of systems based on the company's state-of-the-art Model 8000 geolocation and Model 1010 wideband carrier monitoring systems. The Model 8000 is a compact, commercial off-the-shelf (COTS) geolocation system. It uses advanced technology to swiftly detect, identify and geo-locate satellite interferences. The Model 1010 is an ultra-wide bandwidth spectrum monitoring and analysis system with superior carrier monitoring characteristics.

## Gilat Awarded Internet Broadband Connectivity Contract in Colombia

Gilat Satellite Networks has been awarded a new contract by the Colombian Ministry of Information Technology and Telecommunication (MINTIC) to provide broadband Internet connectivity to over 1,600 schools throughout the country's rural regions. Valued at approximately US\$18.5 million, the project is hosted by the Ministry's Social Telecommunications Program ("Compartel") and the Ministry's "Fondo de Tecnologías de la Información y las Comunicaciones", and is scheduled to commence in 2012, concluding by mid 2013. Gilat's SkyEdge II solution, featuring the Company's innovative WebEnhance VSAT, will provide broadband connectivity featuring data rates of up to 2 Mbps. The network is expected to connect 1,676 schools located in five separate districts across rural Colombia, and is part of a national bid for over 6,800 schools awarded to seven operators.

## Globecomm Receives Contract Extension from Nato

Globecomm Systems Inc. announced that the Company has received a contract extension from NATO CIS Agency (NCSA) valued at US\$8.8 million to extend communication services and onsite support for the Company's previously deployed GPS-Based Force tracking System (FTS). Globecomm previously announced approximately US\$52.5 million in contracts from NATO for this project to design and install a GPS FTS, bringing the combined contract value to approximately US\$61.3 million. The FTS provides NATO with high levels of tracking data and messaging traffic. It enables NATO to identify where its personnel are located at all times, identify other multi-national forces and have the ability to do so in routine and operational situations. This is critical in assisting with the identification of friendly forces and helps prevent fratricide or "blue-on-blue" incidents.



# ROAMING NEWS

## Dutch Careful About Roaming Costs When Abroad

According to the latest data from the Telecompanel Consumentenpanel revealed that most Dutch people (94 percent) take their mobile phone with them during holidays abroad. But almost half say these are used in case of emergency. Among Telfort and Tele2 Netherlands customers, the proportion of those using their phones only for emergencies is even larger. A third does use their phone when holidaying abroad, but not so much. Only 5 percent say they do nothing when abroad to reduce mobile phone costs and use their phone as they would at home. The data comes from 2000 consumers who were asked in November about their phone behavior while on vacation. Almost one quarter said they switch data roaming off, with some respondents also turning off voicemail. Few add a special roaming bundle and only a small number buy a local SIM card to make calls, send text messages and use mobile internet for cheaper rates. Nevertheless, 14 percent do try to look beforehand on how they can reduce costs and 18 percent look out for Wi-Fi connections to use their phone.

## Vancouver Telecom Will End Roaming Fees in U.S.

A Vancouver-based telecom company has teamed up with a U.S. wireless provider to eliminate pricey cell phone roaming fees by charging Canadians who travel south of the border local rates for talk, text and data. Roam Mobility plans to launch the service in partnership with T-Mobile USA on Jan. 16th. The company will provide the service through its continent-wide network, built for use by its Canadian customers only, that piggybacks on T-Mobile's massive servers. According to Roam Mobility CEO, Canadians pay among the highest roaming fees in the world about US \$800 million a year, half of that for charges incurred in the U.S. To access Roam's U.S. server, customers need to buy a roaming device or a SIM card to put into their own cell phones, as well as an unlimited voice, text or data plan, which range in price from US \$9.95 for one day to US \$59.95 for 30 days.



## Clay Telecom Offers International SIM Cards for Leisure Travelers

Telecom services provider Clay Telecom said that it offers a cost effective prepaid SIM international called Clay Global Prepaid SIM card that leisure travelers can use, as part of its 'Tourist Solutions' pack. T. The traveler can have a single SIM card and phone number that will work in over 200 nations around the world. The company said that these prepaid international SIM cards from Clay allow the travelers to save more than 80 percent on your regular roaming bills, and receive free incoming calls in over 60 nations. Executive Director said that the clay Global Prepaid SIM card is the perfect companion for people who love traveling. He further added that efficient before- and after-sales service, round the clock customer support and affordable telecom rates are their hallmarks.

## Matrix Focuses on International Data Roaming

Matrix Cellular is now increasingly focusing on data roaming business. CEO of Matrix said that a large number of people are hooked to smartphones, and their number in business travelers is high. Almost 60 percent of business travelers use smartphones. He further added that the awareness among business houses is growing," he said. Currently, data roaming accounts for 10-11 percent of its sales. Matrix expects this number to go up to 40 percent in the next 12 months. The growth would come from corporate houses which would insist on roaming cards instead of roaming bills. Matrix is planning to launch more plans on the data side, tailoring to different usage patterns for those who use only mail, or those who like to upload holiday pictures or even those who are hooked on social networking sites.

## CTO Ventures Limited Announces Global Internet Access SIM

CTO Ventures Limited has announced the launch of a global Internet access SIM, Nomad, which is designed for anyone travelling internationally. Nomad meets the roaming needs of both business travelers and holiday-makers. It provides international wireless data services that can be used on over 630 networks across the world. Nomad offers a suite of customized packages and has two distinct and simple price plans - a variable rate plan starting with US\$1.50 in over 40 countries and a fixed rate of US\$4.50 for any network in the rest of the world. In addition, travelers can subscribe and buy US\$50 or US\$100 dollar packages online. The Nomad High-Speed Downlink Packet Access (HSDPA) modem is compatible with any 2G/3G network and has a high-bandwidth connection of up to 7.2 Mb/s downlink. An optional dongle with self-installing communication software features are also provided with Nomad services.

## Xcom Global Expands Coverage to 195 Countries and Offers A Single Device Global Travel Plan Option

XCom Global, Inc. announced that it has expanded its coverage to a total of 195 countries. In addition, itineraries that include multiple countries can be covered with a single device using the company's new Global Travel Plan option. XCom Global's newly formed alliance with iPhone Trip allowed it to extend its reach and create the single device Global Travel Plan. XCom Global's high-speed Internet access rental service provides international travelers unlimited data usage and the freedom to wirelessly roam abroad at fixed rates starting at US\$12.95 per day in 195 countries. Bundled with the unlimited aXcess plan, the XCom Global's MiFi Hotspot rental unit enables instant access to a personal mobile hotspot, so travelers can stay connected wherever they are. Up to five WiFi-enabled devices can use the unit simultaneously allowing the MiFi Hotspot to be shared with traveling companions and saving on multiple usage charges.

## Regulator Warms to Eircom's Latest Interconnection Rate Cut

Ireland's national telecoms regulator the Commission for Communications Regulation, or ComReg as it is also known, issued a press release welcoming Eircom's announcement to cut interconnection rates relating to its Reference Interconnect Offer (RIO) price list for the period from 1 July 2012. ComReg notes that the update will reduce call origination and call termination interconnection rates by an average of 5 percent from 1 July 2012. The watchdog adds that, given the past reductions of 15 percent since early 2010, this further reduction will give a total average saving of 20 percent on call origination and call termination rates over the past two years.

## MEPs Want Tighter Caps on Roaming Abroad

MEPs' attempts to win even tighter caps on the cost of using a mobile phone abroad are running into fierce opposition from telecoms firms. Parliament pressure is growing on the European commissioner for the digital agenda, to toughen up the proposal she presented on 5 July to restrict 'roaming' charges in order to give consumers a fairer deal. A German centre-right MEP has put forward detailed price-limit proposals for calls, text messages and mobile internet use that go far beyond the Commission's original plan. Mobile-phone operators are lobbying intensively against the proposals, but the Commission, MEPs and member states are keen to reach a deal before the existing roaming regulation expires on 1 July this year. The regulation is aimed at bringing increased competition to a sector dominated by a few large telephone companies.



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