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BUILDING DIGITAL ECONOMIES

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Customer Experience Management

Salman Bin Abdul Aziz Al Badran
Chief Executive Officer
VIVA Telecom - Kuwait

EDITORIAL

Innovative Marketing in Telecommunications: Key to Digital Growth

In an earlier issue of the SAMENA TRENDS, I referred to the choice to react to change as a determinant of progress and success in the telecommunications industry. Change within our industry, spanning a number of areas—such as investments, policy initiatives, partnership initiatives, for example—has been driven by the rise in technology awareness among the end-users—the most valuable asset any telecom service provider has.

Given the end-users' technology savvy as well as adaptation to and insatiable demand for digital services that add value to their day-to-day lives, the telecom operators have now begun to grow accustomed to the fact that their traditional role requires transformation as telecommunications becomes much more integrated with existing functions of the human society. This, naturally, has brought forth a challenge in being able to create sustainable value for the end-users and for those with investment stakes.

One way in which positive impact on revenue structures could be realized is by drawing operational and strategic focus on advanced marketing techniques. That is, by using the wealth of end-user data, which telecommunications networks store, new value can be easily created and offered back to the users of those networks. However, realizing this value requires a mindset that combines the will to innovate with the desire to achieve highest level of customer satisfaction; revenues will follow, consequently.

Advanced marketing techniques that cater to the evolving needs of the telecoms operators and best address the demands of the end-user then are an area that should become a priority for telecom operators. To investigate the level at which such priority should be set, the SAMENA Council organized the Chief Marketing Officers (CMO) Day on January 28th—detailed discussion outcomes of which have been presented in this issue of TRENDS. Very briefly, however, as a result of the CMO Day, we have been able to better see that the customer retention has become a new, daunting task, especially given pressure layers that have sedimented in the telecommunications space today—market saturation being one such pressure layer. The realization achieved through the CMO Day's dialogue is now prompting that all changes in end-user behaviors should be traced, transformed into value, converted into financial projections, and then executed into new achievements—which includes streamed revenues.

Gaps identified today with regard to developing cases for customer investments will also have a direct impact on the adoption of new digital services. Competitive advantages, especially those gained in better connecting with end-users and converting their behavioral information into corporate actions, have a tremendous importance today for the networks' future. Digitization, which is an outcome of end-users' adopting innovative digital tools and services and is that identified future, requires an enabling environment within telecoms networks. Through an innovative use of existing network assets, combined with an innovative strategy program, digitization can be enabled and should gain critical mass in the shortest possible time.

As a regional agenda-setter, the SAMENA Council sees great association between the need to innovate using advanced marketing strategies within telecommunications and realization digitization, which now has become a regional imperative. Both marketing and digitization should help telecom operators see that strong connections need to be realized between strategy and leadership, to be able to progress well into the digital future.

Yours truly,

Bocar A. BA
Chief Executive Officer
SAMENA Telecommunications Council

Editor-in-Chief
Bocar A. BA

Contributing Editors
Izhar Ahmad
Javaid Akhtar Malik

Contributing Members
Booz & Co
Qualcomm
Coleago Consulting Ltd

Publisher
SAMENA Telecommunications Council

Subscriptions
subscriptions@samenacouncil.org

Advertising
ads@samenacouncil.org

Legal Issues or Concerns
legal@samenacouncil.org

SAMENA TRENDS
#304, Alfa Building, Knowledge Village
PO Box: 502544, Dubai, United Arab Emirates
Tel: +971.4.364.2700

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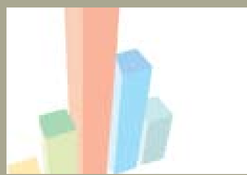
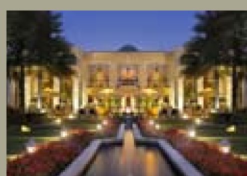




REGIONAL NEWS

Hala Badri named 21st most powerful in Middle East's media, marketing and advertising industry

Communicate Magazine's Power List 2012 has ranked Hala Badri, Executive Vice President, Brand and Communications, du, as the 21st most powerful and influential personality in the Middle East's media, marketing and advertising industry. The list, published in December 2012, features the top 50 people working in the industry based on extensive criteria, including industry and personal data. "I would like to congratulate Hala on behalf of all of our colleagues at du, for this recognition. Hala is a highly accomplished individual who has proven herself time and time again since joining our team in 2006. Her string of accolades, both personal and for her work with the company, are a symbol of her dedication, talent, and passion towards furthering herself and our brand," said Osman Sultan, CEO, du. "It is an honor to have been acknowledged as being one of the leaders in my professional field. I would like to thank Communicate for recognizing the achievements that, with the help of my talented team and the support of my management colleagues at du, we have been able to achieve in the past 12 months. This is truly an honor that I feel demonstrates the level of commitment we have to achieving excellence in all that we do," said Badri.

Roshan awarded the highest quality recognition of ISO 9001:2008

Roshan, Afghanistan's leading total communications provider, announced that the company has been awarded the highest quality recognition of ISO 9001:2008 for its technology, network and sales operations. ISO is gained by organizations that focus on improving company operations through utilizing performance principles such as strong customer focus, leadership, involvement of people, governance, factual approach to decision making and continual improvement. Recognized in over 150 countries, the two certifications,—a first for any telecommunications operator in Afghanistan—were awarded to Roshan after a year-long rigorous evaluation process conducted by ISO certified auditors. Over the last ten years, Roshan has been committed to bringing the best-in-class services to Afghanistan while focusing on quality and the overall customer experience. In September of 2011, the company's three time award-winning Customer Care Centre achieved ISO status—making it Afghanistan's first-ever ISO certification. "The company's guiding principle has been to provide all Afghans with access to mobile telephony, as well as to play a key role in the country's economic development, reconstruction, and redevelopment process," Karim Khoja, Roshan Chief Executive Officer, said.

Nawras gets closer to customers as Gold Sponsor for Muscat Festival 2013

Nawras is delighted to renew its long-term commitment to Muscat Festival as a Gold Sponsor for this hugely entertaining annual event. From 30 January until 28 February, visitors are invited to visit the Nawras stands while enjoying the largest series of cultural and entertainment events in Oman including a celebration of international creative talents, rich crafts from around the world and interactive activities for all ages. Nawras will be showcasing its wide range of pleasingly different products and services at stands in Al Naseem Park and Al Amerat Park, giving customers the chance to have a first-hand experience of the latest offers and promotions as well as having the opportunity to enjoy some fast online gaming. Nawras, a Qtel Group company, is committed to bringing the community together through the support of cultural, sporting, entertainment and community activities. The caring approach Nawras takes in business is reflected in the diverse range of events and charitable causes it sponsors throughout the year, further enriching the daily lives of people in Oman.

STC reports 7 percent revenue growth for 2012

Saudi Telecom Company (STC) has announced the company's preliminary consolidated financial results for the period ending at 31 December 2012 (12 months). STC continues delivering revenue growth. For the 12 months, the Company reported 6.7 percent increase in revenues reaching SR 59,372 million compared to SR 55,662 million for the previous year. The increase in revenues, is attributed to the growth in Broadband (fixed & mobile), Business & wholesales services domestically and from international operations. While gross profit for Q4 and full year, increased by 2.6 percent & 7.2 percent reaching SR 8,144 million and 33,597 million consecutively compared to same periods the previous year.

du steps into next phase of growth with reformation of its corporate structure

Since its inception, du has consistently delivered superior services to its customers, thereby creating better returns and value to all its stakeholders. The company has been one of the fastest growing telecom in the Arab world during the past four years. Eager to build on this success, du is entering a new phase of growth by strengthening its foundation and driving efficiencies in whatever it does, keeping in mind ever-changing customer behaviours and transforming business models with emerging new forms of competition in the digital space. Elaborating on the development, Osman Sultan, Chief Executive Officer, du, said: "Starting January 2013, we have embarked upon our journey to take du to the next level by pursuing excellence and innovation in the way we do our business. I believe that what brought us to where we are today will not continue to take us where we want to be, unless we deliver more value to customers and keep on innovating the way we operate, the way we deliver our services, and the way we create products and . We are committed to creating accelerated value to all our stakeholders throughout this journey."

Global IP extends mobility offering with Intelsat

Intelsat S.A., the world's leading provider of satellite services, announced that Spain-based Global IP, a provider of satellite communications for maritime, energy and corporate customers, has signed multi-year agreements allowing it to provide broadband service to its maritime customers in the Indian Ocean region. Global IP will use capacity on Intelsat 22 at 72° East, Intelsat 702 at 33° East, and the IntelsatOneSM terrestrial network to introduce advanced mobility services. Global IP will collocate its DVB-S2 high-throughput platform at Intelsat's teleport in Fuchsstadt, Germany, enabling access to the IntelsatOne infrastructure and Intelsat's satellite fleet. The agreements enable Global IP to introduce worldwide Ku-band maritime services to oil and gas customers, as well as energy providers, in Africa, Europe, the Middle East and Asia-Pacific. Intelsat is scheduled to complete its global broadband mobility platform in the first quarter of 2013 with the launch of Intelsat 27, scheduled for January 31.

Batelco delivers new reduced rates for SimSim international calls

Batelco has announced great reductions for off-peak IDD (International Direct Dial) calls made through SimSim lines to a number of frequently called destinations, for a limited period starting on January 24th. The reduced rates apply to all IDD calls made from mobile phones using SimSim services to India (14 fils/min), Pakistan (45fils/min), Sri Lanka (50 fils/min), Bangladesh (17 fils/min) and Philippines (53 fils/min) during off-peak hours (7pm to 7am) and Fridays all day. Batelco's international call rates are always charged per second, which is a great benefit. Furthermore, SimSim customers can also benefit from the opportunity to refill with BD4, BD5 or BD10 and get double credit. Refill with BD4 to get BD8 credit, BD5 to get BD10 credit or BD10 to get BD20 credit on your account. The bonus credit can be used to make local calls to all networks and to send both local and international text messages. The bonus credit which is valid for 10, 14 and 21 days respectively depending on the refill amount, will be automatically used before the basic credit. Customers may check their Main Credit Balance by dialling *122# and their Bonus Credit Balance by dialling *122*13#.

Etisalat announces "New Year 2013" competition winners

Etisalat has announced the winners of the 'Etisalat New Year 2013' competition that was conducted on social media network Twitter, engaging customers from different nationalities in the country. The contest required Etisalat consumers to compile New Year greetings in their native languages using Arabic or English letters. The greetings that were retweeted the highest number of times were selected as winners. Sidra Saleem (Pakistan), Muhammed Zahid (Pakistan) and Shatha (Syria) have been named as the competition's top three performers. While Sidra Saleem bags an iPhone5, the two runners-up take home a Samsung Galaxy S3 LTE each. Ahmed AlHashmi Senior Vice President Brand and Communication said: "I congratulate the winners for successfully utilizing the social media landscape to engage with other users and share their New Year greetings. Etisalat's strategy to continually offer creative concepts to our consumer base has helped build our credibility over the years."

Operator Leader's Vision

Salman Bin Abdul Aziz Al Badran is a Telecommunications professional with a proven track record in delivering operational excellence in his career of more than decades. He has extensive experience in managing large scale Telecommunication Projects, each with its own unique challenge. Mr. Salman joined Saudi Telecom Company (STC) as Director of GSM Network Operations and was promoted to General Manager, GSM Networks in 2004. During his tenure as General Manager, he was responsible for the Planning, Design, Implementation and Operation of the GSM Network in STC. He was appointed as the Project Launch Director of the third GSM operator, Kuwait Telecommunications Company, VIVA. With the commercial launch in Dec 2008, he was appointed as the CTO of VIVA. Since Jan 01, 2011 Mr. Salman is the CEO of Kuwait Telecommunications Company, VIVA. He has a BS Electrical Engineering from King Fahad University in the Kingdom of Saudi Arabia.

Salman Bin Abdul Aziz Al Badran
Chief Executive Officer
VIVA Telecom - Kuwait

Q. What do you think about the emergence of Customer Experience as the ultimate target of the Operators? Where is VIVA at present in this regard?

A. Technology alone is not the differentiator or major revenue enabler in a competitive market. Every operator has recognized that their future is tied with the Customer Experience and Service differentiation that will be provided by them.

VIVA is a new entrant in the highly competitive cellular market of Kuwait with two established incumbent Operators. We launched Commercial Operations in Dec 2008 and were in the phase of Subscriber Acquisition during the last three years. It is not that VIVA neglected Customer satisfaction but the focus was more on Network Coverage, Technology upgrade and the Market share.

At this point in time, VIVA has already initiated steps to procure Customer Experience Management Tools and to implement specific plans for achieving a positive Customer Experience. It is one of the major 2013 initiatives for all the departments concerned.

Q. Customer Experience is tangible as well as intangible. How are you addressing it?

A. The more realistic definition of Customer Experience that I have come across is "Customer Experience as a narrative that describes the Customer's journey through a complex set of processes in the Customer's life cycle." (Courtesy to Ovum Report). It starts from the point of Product/ Service Selection by the Customer through its Usage and the Support being furnished "in the hour of need" of the Customer.

All departments, Marketing, Sales, IT, Network and Contact Centre are "jointly and severally" responsible for managing the Customer Expectations to provide a tangible feeling of comfort at every Customer "Touch-points" in each phase of the Customer life cycle. VIVA plans to follow this route in achieving excellence in Customer Experience.

Q. How important do you think is the role of customer experience management?

A. Whatever be the Service, the "experience" is dictated by its "Customer - Service Alignment, Ubiquitous Availability, Quality and Efficiency of its Delivery". Customer Experience Management has to address all these areas at each Customer Touch-point in the Customer life cycle. We believe that every part of an Operator's business that impacts the Customer can be considered to contribute towards Customer Experience, the difference being in dimensions only.

Our future lies with the existing Customers. Hence it is logical only to "engage, retain and satisfy" them. However each Operator has to device its own strategy based on its Market Reality and Subscriber behavioural pattern. In markets like Kuwait, where penetration is more than 100%, further revenue growth depends on Customer Experience and Service differentiation.

It should also be noted that it is not an antibiotic treatment but a nutritional nursing of the Customer, throughout his/her life cycle with the Operator.

Q. Do you share the thought that Customer Experience has a direct impact on churn rate in today's telecom market?

A. If Customer Experience is managed at each Customer Touch point, by providing the "First time Right experience" at the first Customer contact, Flawless Service fulfillment, Achievable Quality of Service, Un-interrupted Service Assurance, High percentage of First Contact Resolution etc the triggers for the probable Churns are practically disappearing. Hence an effective Customer Experience management has a direct impact on the Churn.
However migratory churn which is quite prevalent in the Prepaid Segment, especially in a competitive market, cannot be neutralized as in the other Customer segments.

Q. How is the Contact Centre Performance related to Customer Experience?

A. Whenever you talk about Customer Experience, Contact Centre performance is the first factor that comes into your vision. It is the front face of the Operator and it plays a pivotal role in building up the image of the Operator.

As speaking with a CSR is the most common customer service channel, having a "right first time" approach to dealing with customers will lead to a significantly improved Customer Experience. No Customer likes Long Waiting Times, Repeated Transfers, Having to Repeat Information, and Not Being Able to Speak to a Person with the Right Level of Expertise.

Except on the day of bill issuance and the subsequent 2-3 days, the waiting time at VIVA contact centre is on the average less than 5-6 Sec. In addition we are focusing on optimizing the percentage of First Call Resolution to 80-85%, which has a significant bearing on Customer Experience.

Q. What do you suggest for optimizing customer experience strategy of the telecom operators?

A. First of all, Customer Experience Strategy cannot be generalized as it depends on each Market, its Characteristics and Cultural environment and its Customer behavioural pattern. However general guidelines can be suggested.

The biggest Assets of an Operator are its Historical Customer Data and the Realtime Customer data from the Network. With proper Analytical tools, these data can be analysed to get "Deep understanding of Customer Usage Pattern".

This information can be used to Refine Existing Products and Services, Enhance Service Assurance, Improve Customer Service all across the Customer Life cycle and Develop more flexible, differentiated services.

This requires investment in relevant Information Analytical tools, which is essential for deriving the relevant input for effective Customer Experience Management.

Q. How do you view the impact of Social Media on the Customer Experience management?

A. Evolution of Social Media will be an important factor that will influence the CE Strategy in the future. It is changing from being merely a grievance platform for exposing poor service to something that is more constructive for both Operators and their Customers. Because of the viral nature of social media, the Operators have to respond fast and effective.

I have a Twitter account open to VIVA customers and the comments received have been greatly useful in improving our services.

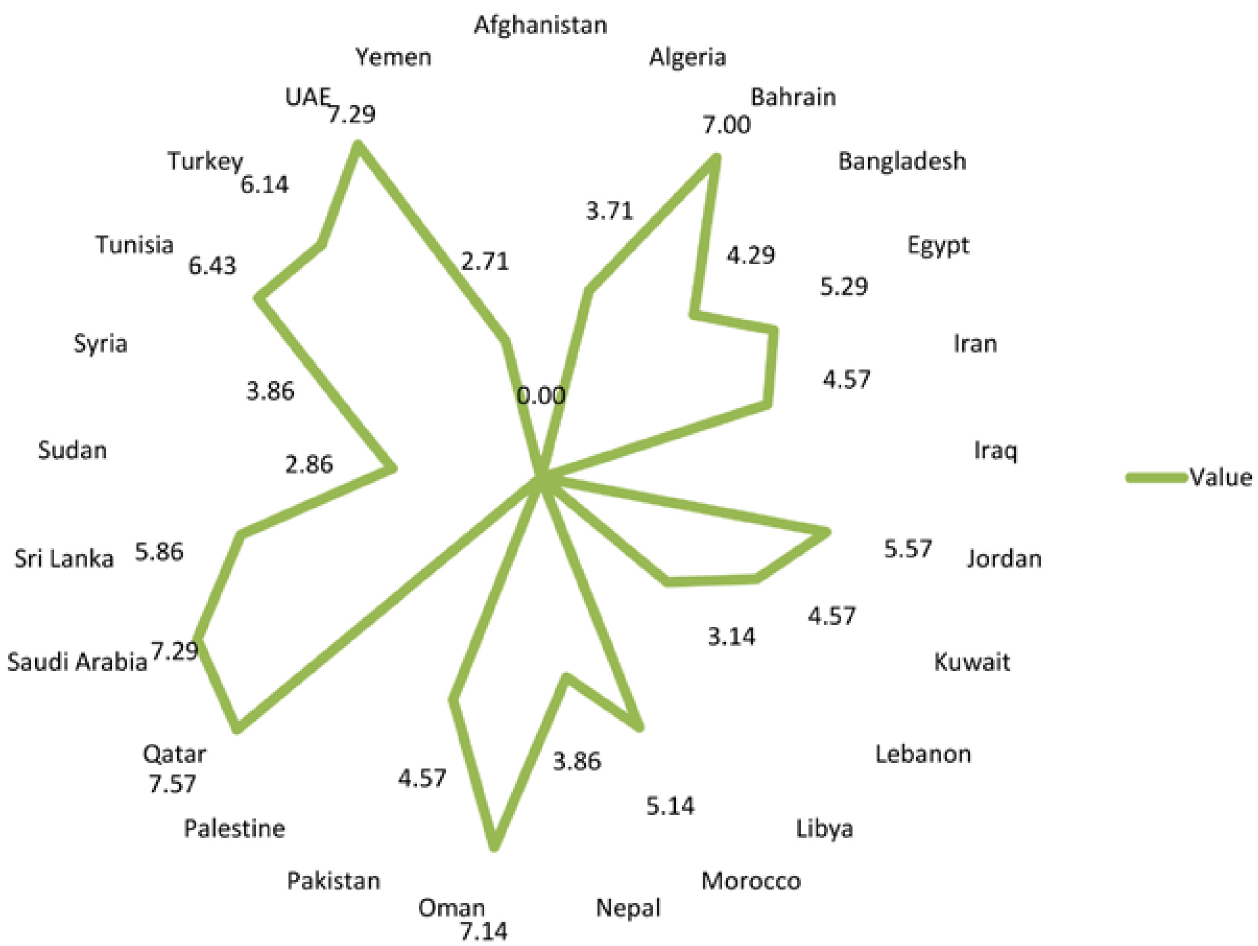
Q. What are some of the major areas where the operators of the SAMENA region needs to be more active when it comes to customer experience strategy?

A. I can recommend only based on what VIVA is planning/ implementing.

VIVA has already initiated actions to procure State-of-Science intelligent solutions such as "Service Quality Management (SQM)" Tools for "Service Assurance" and "Real Time Decision Making Solutions (RTD)" for Contact Centre. SQM tools can enable restoration of service performance to a great extent before the Customer actually experiences a problem. RTD solutions combine historical data with realtime behavior to push relevant information to CSR and guide his/ her interactions with the Customer.

VIVA is also considering Online Customer Service as an important alternative to meet the impact of the fast growth of Smartphones and Tablets.

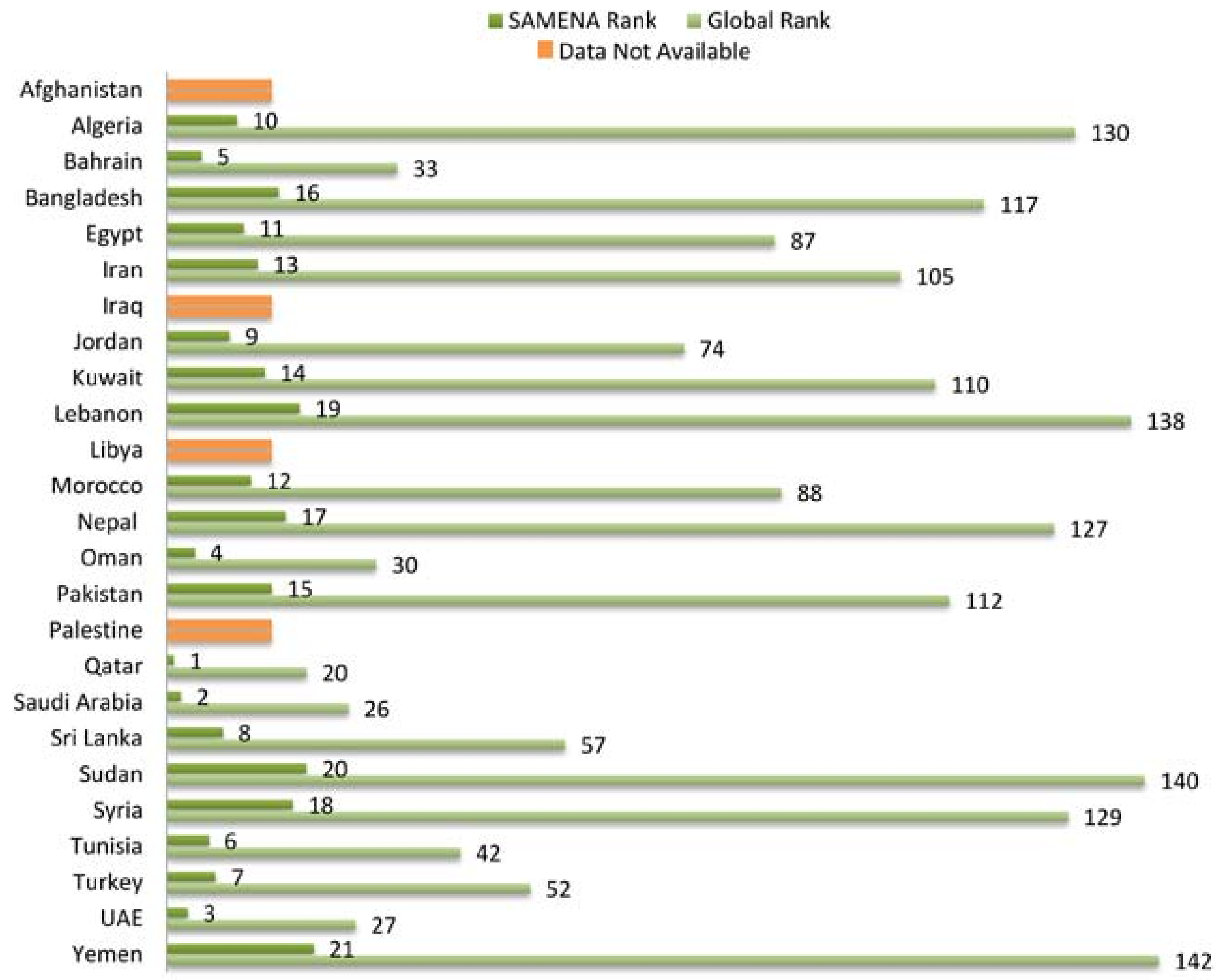
Laws Relating to ICT



Research Note: Values out of 10 have been assigned by the SAMENA based on data acquired from The World Economic Forum. Within the South Asia region, Sri Lanka is ranked the highest with regards to Laws related to ICT Sector. In Middle East, Qatar appears to have the most highly developed and implemented laws relating to ICT. Tunisia is highest rated country from North African region. Data for Afghanistan, Iraq, Libya and Palestine was not available.

Image Source: SAMENA Telecommunications Council
Data Source: The Global Information Technology Report by World Economic Forum & INSEAD

Global v/s. SAMENA Ranking



Research Note: Within the SAMENA region, Qatar appears to have the most highly developed and implemented laws relating to ICT. Middle East holds the top 5 positions within the SAMENA Region. Tunisia is the highest ranked country outside Middle East at 6th position. The data acquired shows that Middle East has the most highly developed and implemented laws relating to ICT within the SAMENA region. It is followed by North Africa whereas South Asia seems to have the lowest rank in laws relating to ICT. Data for Afghanistan, Iraq, Libya and Palestine was not available.

Image Source: SAMENA Telecommunications Council
Data Source: The Global Information Technology Report by World Economic Forum & INSEAD

SATELLITE NEWS

South Korea ready for high-stake rocket launch

South Korea is poised for its third bid to send a satellite into orbit; a watershed moment for the future of the country's space program and a high-stakes challenge to national pride. The pressure surrounding the mission has risen considerably in the wake of rival North Korea's successful launch of a satellite on an indigenously-built carrier in December. Success would mean a huge boost for South Korea -- a late entrant into the high-cost world of space technology and exploration and desperate to get its commercial launch program up and running. Despite a very successful satellite construction program, it faces a long slog to catch up with the other Asian powers with proven launch capability -- China, Japan and India. Successful or not, this will be the last launch under the current agreement with Russia which agreed to provide the first stage for a maximum of three rockets.

SpaceX attains launch contract for communications satellite

Hawthorne rocket company SpaceX won a launch contract to send a communications satellite into orbit. The company officially known as Space Exploration Technologies Corp. will launch the AMOS-6 satellite on a Falcon 9 rocket. The mission, announced Tuesday, is targeting a 2015 launch from Cape Canaveral, Fla. SpaceX did not release the contract's value. This latest agreement follows a year in which SpaceX signed 14 launch contracts. SpaceX says it is the world's fastest growing launch services provider. "This last year has been one of great success and tremendous growth," SpaceX President Gwynne Shotwell said in a statement. SpaceX signed this latest launch contract with Space Communication Ltd., also known as Spacecom. The satellite will provide communication services for Africa, the Middle East and Europe.

Russia all set to launch more satellites into orbit

Russia plans to expand its orbital satellite group from 75 satellites at present to 113 in 2020, according to the head of the Federal Space Agency, Roscosmos. "We expect by 2015 the orbital group will consist of 95 and by 2020 of 113 satellites," Vladimir Popovkin told students of Bauman Technical University in Moscow. Popovkin said the space agency would spend one third of its budget developing new spacecraft and engines, including a nuclear-powered booster. "We plan to construct its prototype in 2018 so we could start its testing." Popovkin envisaged that the new Russian module of the International Space Station could become a separate orbital station. "We build this module the way it could function autonomously as a small orbital station for scientific purposes," he said. The official also mentioned Russia might cut the number of carrier rocket launches from Baikonur space center in Kazakhstan after 2016, given Astana's complaints about environmental damage launches have inflicted.

ViaSat augments global mobility satellite network with new capacity

ViaSat Inc. has signed four new contracts that increase the total Ku-band capacity of its global mobility network by more than 60 percent. This investment in additional bandwidth will be reserved for government and general aviation business growth and customer requirements for high data rates for mobile satellite communications. "This expansion phase is an overlay to our mobile network in key regions around the globe," said Paul Baca , GM/VP ViaSat Global Mobile Broadband. "This addition will raise the bar for baseline broadband performance and provide a foundation for new service plans." The sustained growth in airborne satellite communications for ViaSat was recently highlighted by the delivery of the 500th VR-12 satellite terminal. This ultra-small aperture system has been a key technology enabler for both general aviation and government mobility markets, for "office in the sky" business applications, as well as enroute Command & Control and ISR services for military customers.

ITT Exelis awarded satellite technology contract to forecast space weather

ITT Exelis received a US$3.2 million follow-on contract from the Air Force Research Laboratory (AFRL), Kirtland Air Force Base, N.M., to provide upgraded satellite remote sensor systems. The Exelis Coherent Beacon System is a space-based sensor system that investigates and forecasts natural disturbances in the Earth's atmosphere. The sensor system transmits multiple signals through the ionosphere (the upper part of the atmosphere) to a ground-based receiver. "The new sensor system gives our customers advance knowledge about changes in space weather," said ITT Exelis Director of Antenna and Space Programs Mark Fournier. "This system will allow the U.S. military to predict the effects of ionospheric activity on signals from communication and navigation satellites, which are critical to the safety and performance of our warfighters." Under this contract, Exelis will provide additional sensors, simulators and the ground support equipment required for future payload integration activities. Exelis is teamed with Ball Aerospace Technologies Company under the sponsorship of AFRL. The original contract was awarded in 2011.

Astrium Services signs distribution partnership with GAF

Astrium Services' GEO-Information experts have signed up GAF AG, a provider of Earth observation and geo-information solutions, as a channel partner for their satellite data and value-added products in Germany. Users in Germany can consequently resort to an additional source for accessing Astrium's substantial portfolio of optical and radar satellite data, as well as derived value-added products. With privileged access to a unique satellite fleet comprising the TerraSAR-X and TanDEM-X radar satellites, the SPOT 5 and 6 optical satellite family and the very-high-resolution Pléiades constellation, Astrium and its partners can offer daily coverage worldwide as well as weather-independent acquisitions, at a variety of resolutions. Based on this data, a substantial portfolio of geo-information products and services as well as customized solutions is available to customers around the Globe.

New NASA satellite to boost communications network

A NASA communications network used to track satellites and spacecraft orbiting the Earth is about to get an upgrade with the launch of a new satellite. The space agency is set to launch the new Tracking and Data Relay Satellite K (TDRS-K for short) on Wednesday at 8:48 p.m. EST from a pad at the Cape Canaveral Air Force Station in Florida. A United Launch Alliance Atlas 5 rocket will boost the satellite into an orbit 22,300 miles (35,888 kilometers), where it will join a network of other relay spacecraft high above the planet. The TDRS-K satellite is the first of three new satellites to launch between now and 2015 to bolster the TDRS communications satellite network that relays data and messages between spacecraft in orbit and ground stations. Without factoring in the cost of the vehicles used to transport it, the TDRS-K satellite costs anywhere fromUS$350 million to US$400 million.

ViaSat adds more Ku-band capacity to mobile satellite network

ViaSat has signed four new contracts that increase the total Ku-band capacity of its global mobility network by more than 60 percent. The Carlsbad, Calif-based company satellite products and services provider has reserved the additional bandwidth for use by government and general aviation customers that need high data rates for mobile satellite communications. The expansion essentially is an overlay to the company's mobile network in key regions around the globe, company officials said. It broadens coverage in Europe, Asia, Africa, North America and the Pacific Ocean, among other areas. ViaSat recently delivered its 500th VR-12 satellite terminal, the company said. The ultra-small aperture system is being used by both general aviation and government mobility markets for "office-in-the-sky" business applications, and also in-flight command and control and intelligence, surveillance and reconnaissance services for military customers.

Japan launches 2 intelligence satellites

Japan launched two intelligence satellites into orbit. Officials say the launch of the domestically produced HII-A rocket went smoothly and the satellites (an operational radar satellite and an experimental optical probe) appear to have reached orbit. Japan began its intelligence satellite program after North Korea fired a long-range missile over Japan's main island in 1998. North Korea conducted a launch last month that it says carried a satellite into orbit but has been condemned by the U.S. and others as a cover for its development of missile technology. The radar satellite, which can provide intelligence through cloud cover and at night, is intended to augment a network of several probes that Japan already has in orbit. The optical probe will be used to test future technology and improvements that would allow Japan to strengthen its surveillance capabilities. Its optical satellites are believed to be about as good as commercial satellites, meaning they are able to detect objects of about 40 centimeters (16 inches) in size from their orbits. With the additional radar satellite, Japan hopes to be able to glean intelligence on any specified location once a day.

REGULATORY NEWS

Vainakh Telecom to face legal battle

Russian telecoms regulator Roskomnadzor is set to take action against Chechnyan mobile operator Vainakh Telecom after the cellco launched commercial Long Term Evolution (LTE) services in Grozny, the capital city of the Chechen Republic. Russian website Izvestia.ru reports that the watchdog's objections are based on the fact that the equipment used for the 4G deployment has not been certified in Russia – a key clause attached to the company's frequency concessions. According to TeleGeography's GlobalComms Database, Vainakh was founded in 2003 to promote telecommunications services in the war-torn Republic, before going on to launch in May 2009. In March 2010, in a spectrum auction held by the Ministry of Communications (MinSvyaz), Vainakh purchased 30MHz of 2.3GHz-2.4GHz frequencies covering Chechnya.

NTA ordered telecom companies to take necessary precautions against radio frequency exposure

With the objective of minimizing health hazard caused by radiations and setting the standard for electromagnetic radiation (EMR) level for operators, Nepal Telecommunications Authority (NTA) is preparing a guideline on health hazard due to wireless communication. Studies have showed that exposure to EMR for a long time can cause heating effect on biological object resulting to health problems like fatigue, headache, difficulty in concentration, memory loss, skin problem, dizziness and difficulty in concentration, among others.

Thai networks asked to drop expiry dates on prepaid credits

Thailand's mobile networks have been ordered to drop the expiry date clause from prepay credits applied to accounts pending a policy decision from the telecoms regulator. The regulator is considering a standard expiry of phone credits, but had yet to make a decision, so in the meantime it has ordered the networks to make all credits effectively immortal. The mobile networks are also being required to collect the identity of customers when they buy a fresh SIM card as a possible prelude to mandating ID collection for all prepay accounts. The regulator has threatened to fine the networks if they do not comply with both requirements after sending compliance warning letters to them last week.

Telecommunications affairs ministry and TRA celebrate national & accession days in Bahrain

The Ministry of State for Telecommunications Affairs and the Telecommunications Regulatory Authority celebrated the National Day of the Kingdom of Bahrain and the 13th Accession Anniversary of His Majesty the King Hamad bin Isa Al Khalifa. Minister of State for Telecommunications Affairs H.E. Sheikh Fawaz bin Mohammed bin Khalifa Al Khalifa, and the staff of both the Ministry and TRA attended.

Professional Mobile Radio (PMR) service symposium hosted by TRA Oman

The Telecommunications Regulatory Authority (TRA) held a symposium on Professional Mobile Radio service (PMR) with the participation of experts from a telecom consultant (Orbion Consulting) specialized in mobile radio sector. The event was also attended by international and local telecommunications companies. The symposium aims to discuss scientific concepts related to managing and organizing telecommunications services solutions that are mainly used for commercial and industrial companies including oil companies, international airports and seaports, as well as companies operating in construction projects and large scale public services. This service provides instant communications solutions for institutions who wish to use their own telecommunications networks. Radio service is one of the most practical services to transfer voice communications and information data between a group of subscribers as this service is characterized by its convenience in making phone calls and operability of direct communication between a group of subscribers, and is also adopting a high degree of data security.

NTC is looking towards independent valuation of former CURE 3G licenses

Filipino telecom regulator the National Telecommunications Commission (NTC) will seek an independent valuation of the 3G frequency license formerly held by PLDT subsidiary Connectivity Unlimited Resources Enterprise (CURE), and surrendered to the government as a condition of its takeover of domestic telco Digitel. NTC commissioner Gamaliel Cordoba is on record as saying that the determination of the Cost Recovery Amount (CRA) for the frequencies in question is the only item delaying the re-allocation of CURE's 3G license. The official says that the NTC has completed the terms of reference (TOR) for the auction and is now seeking input from at least three independent auditors to determine the value of the concession. Earlier, PLDT had put a potential spanner in the works when it said it was looking to recoup a minimum PHP2.125 billion (US$52.4 million) from the sale of CURE's 3G frequencies.

Regulatory authority of Mexico authorizes interconnection pact

Mexican telecom regulator moved closer to setting guidelines for the fees telecom operators charge each other, a process that sprang from the desire to curb the power of tycoon Carlos Slim in the phone market. Since 2011, telecom watchdog Cofetel has been trying to set rules to give telecom operators fair access to all networks. Earlier, some companies had complained that Slim's Telefonos de Mexico, the biggest provider of fixed-line services, was overcharging or denying access to its vast infrastructure.

The set of rules has been reviewed ever since by Cofetel and Cofemer, an agency that oversees regulation issues in Mexico. Cofetel agreed to send back its last observations on the so-called interconnection rules to Cofemer for a final review.

UK's 4G spectrum ready for bidding

UK telecoms regulator Ofcom has confirmed that bidding has begun in what it has termed 'the UK's largest ever mobile spectrum auction', with claims that the spectrum on offer 'will almost double the amount of airwaves currently available for mobile broadband services on smartphones, tablets and laptops'. In making the announcement, the watchdog reiterated that there are seven companies taking part in the sale process: EE, the country's largest cellco by subscribers; HKT (UK) Company Limited, a subsidiary of Hong Kong's PCCW Limited; Hutchison 3G UK; MLL Telecom; Niche Spectrum Ventures, a subsidiary of UK fixed line incumbent BT Group; Telefonica UK; and Vodafone UK. With a view to ensuring competition, Ofcom said it has designed the auction to ensure that at least four different companies emerge from it with enough spectrum to become 'credible national 4G wholesalers'. In total there are 28 lots of spectrum up for grabs in two separate bands – 800MHz and 2.6GHz – with up to 250MHz of additional mobile spectrum available, compared to the 333MHz currently in use in the UK.

Nepal to take action on illegal imports of cell phones

Nepal's telecoms regulator has issued a couple of notices warning importers of mobile phones that devices need approval before they can be sold in the country, and that it is seeking views on a base station emission policy. In a notice published on its website, the regulator warned importers and distributors that are selling handsets and telecom equipment without obtaining the certification may face seizure of their products and even closure of their businesses. "Other actions, as per the law, would also follow," the notice said. They are also considering a plan to require handset serial numbers to be registered with the mobile networks before a handset can be used. The regulator estimates that around 800 devices have approval for sale in the country - although about double that number are being sold by retailers.

Govt in doubt over fixation of spectrum price for 3G

The government is in dilemma to fix spectrum price for 3G mobile phone service which will be finally determined by the finance ministry. Already, telecom ministry suggested a price of US$ 20 million for each MHz spectrum instead of US$ 30 million mentioned in 3G draft guideline prepared by Bangladesh Telecommunication Regulatory Commission (BTRC). In a recent proposal to the finance ministry for approval, the Telecom ministry suggested the revised price after evaluating the market of neighboring countries like India, Pakistan and Thailand where spectrum price ranges below US$ 30 million. It is learnt that the 3G (Third Generation) mobile phone service in some countries including India did not succeed due to high spectrum price. The telecom authority even expressed doubt about the demand of license or spectrum if the auction price is kept US$ 30 million.

A SNAPSHOT OF REGULATORY ACTIVITIES IN THE SAMENA REGION

Active Consultations & Invitations for Feedback

Oman

TRA intends to introduce new arrangements for the allocation of special numbers to end customers and the Telecom Operator in a more efficient and equitable manner. This is a specific statutory responsibility of the TRA. One way to achieve this is to ensure that if a user values a certain number highly, should be granted the right to use it in a non-discriminatory manner and in accordance with the overall numbering plan. Members of the public are invited to comment on whether to go with auctioning mobile special number to maintain transparency in the allocation and how such auctioning should be implemented. Therefore, TRA seek your opinion on the following:

What is your opinion with regard to the auctioning should be made on-line or it should be conducted in a different way? Propose a method with reasoning?

Once TRA implement the method of auctioning of special numbers, will the public seeks TRA to allow the trade of special numbers? The answer should contain reasons why TRA should allow the trade of special numbers?

Comments and answers to the above question are to be submitted before February 20, 2013. (January 20, 2013) tra.gov.om

The TRA has embarked on an initiative to review the current licensing framework in order to identify and remove barriers of entry and enhance the level of competition in the telecommunications sector. The overall objective of the new Licensing Framework is to facilitate the realization of the following broad requirements:

- To increase Internet penetration whilst focusing on high speed broadband access;
- To prepare suitable conditions for effective competition in the provision of infrastructure and telecom services, and promote competition in the provision of these services;
- To expand the provision of full range of telecoms services to the unserved willayats;

In connection with the requirements TRA intends to review and modify the current Licensing Framework to simplify entry procedures and license awards. The Consultation document briefly outlines the findings of a study related to the historic and present context of the present licensing framework, together with certain proposals for change. The Authority is seeking the comments of interested parties, stakeholders on the proposals put forward for comment at the present stage of their development. Subsequent to the receipt of comments a substantive Licensing Framework will be set out, in full detail. Last date for submission of comments is February 18, 2013 (December 24, 2012) tra.gov.om

Country-wise Policy & Regulatory Developments

Afghanistan
Board Chairman: Mr. Abdul WakilShergul
[Afghanistan Telecommunication Regulatory Authority (ATRA)]
The Ministry of Communications and Information Technology (MCIT) intends to seek the Consultancy Services including Management of Incubator by a qualified firm, under overall directions of Director General of ICT Department of MCIT. The long term aim of the Incubator Management is to lead and manage the establishment and growth of the business Incubator, as a self-sustaining service for new and growing Afghanistan businesses. This requires an entrepreneurial approach and a commitment to helping new and emerging businesses in Afghanistan. February 25, 2013 has been fixed as the last date of submission of interests.
(January 23, 2013) mcit.gov.af

Bahrain
Chairman: Dr. Mohammed Al Amer
[Telecommunication Regulatory Authority (TRA)]
Bahrain is to auction radio spectrum for next-generation networks. The three existing mobile operators, who have seen profit fall, were quick to say that any further competition may jeopardize their financial viability. The auction will comprise five lots of spectrum primarily for long-term evolution (LTE), or 4G, networks, which the Telecommunications Regulatory Authority said was inadequate in an earlier strategy document. The winning bidders were expected to be announced in April. A telecoms analyst at Securities & Investment Co (SICO) in Bahrain said that TRA is sending a strong message to existing operators that if they do not enhance their service offerings and set up the necessary infrastructure and it is willing to offer additional mobile licenses to other operators. In a consultation report on the TRA website, the current operators Batelco, Zain and Viva said the auction should be restricted to them and WiMAX operator Menatelecom. As well as the three mobile operators, 10 internet providers also serve Bahrain's 1.3 million population in one of the most liberalized markets in the Gulf. While this has cut prices for consumers, sector earnings are shrinking - mobile penetration is 128%, or nearly 1.3 subscriptions per resident. Batelco's domestic profit fell 32% in 2012, outpacing a 12% drop in revenue, while Zain's net income in Bahrain more than halved in the first nine months of the year. The profit slump showed that despite higher revenues from device sales, overall revenue growth is negative due to a decline in tariffs. As well as buying new spectrum, existing operators must also pay to build a nationwide fiber telecom network allowing higher bandwidth and network speeds than existing copper wire infrastructure. In October, the head of Batelco's domestic operations called on the government to subsidize this, with the current fiber network largely limited to new commercial and residential areas. **(January 31, 2013) zawya.com**

Telecommunications Regulatory Authority (TRA) issued an invitation to tender for the award of individual mobile licenses and associated frequency concessions in the 2600 MHz, 2100 MHz, 1800 MHz and 900 MHz bands via a competitive auction scheduled for March 31. Alongside the invitation the regulator published responses and conclusions from its final consultation on the multi-band 'post-3G' licensing process. Bidders, which may include prospective new entrants must register by March 11. A total of 2×110.6MHz of paired (uplink, downlink) frequencies is up for grabs under 15-year technology-neutral licenses, split into twelve lots.
900MHz band:

- One lot of 2×5.6MHz (880MHz-885.6MHz uplink, 925MHz-930.6MHz downlink)

1800MHz band:
- One lot of 2×10MHz (1750MHz-1760MHz, 1845MHz-1855MHz)
- One lot of 2×5MHz (1780MHz-1785MHz, 1875MHz-1880MHz)

2100MHz band:
Four lots of 2×5MHz
- 1945MHz-1950MHz, 2135MHz-2140MHz
- 1965MHz-1970MHz, 2155MHz-2160MHz
- 1970MHz-1975MHz, 2160MHz-2165MHz
- 1975MHz-1980MHz, 2165MHz-2170MHz

2600MHz band:
Two lots of 2×20MHz
- 2500MHz-2520MHz, 2620MHz-2640MHz
- 2550MHz-2570MHz, 2670MHz-2690MHz

Three lots of 2×10MHz
- 2520MHz-2530MHz, 2640MHz-2650MHz
- 2530MHz-2540MHz, 2650MHz-2660MHz
- 2540MHz-2550MHz, 2660MHz-2670MHz

Minimum bid prices proposed by the TRA in November 2012 were revised in the final tender invitation after consideration of operators' responses, with the price for 1800MHz spectrum reduced by 25%, and prices for 2100MHz and 2600MHz spectrum lowered by 20%; the 900MHz minimum bid was unchanged. The final prices were set as follows:
- 900MHz: BHD1.68 million (US$4.35 million) for 2×5.6MHz;
- 1800MHz: BHD1.5 million for 2×10MHz, BHD750,000 for 2×5MHz;
- 2100MHz: BHD400,000 per 2×5MHz;
- 2600MHz: BHD800,000 for 2×20MHz, BHD400,000 for 2×10MHz.

Bidders for the above bands are allowed to obtain multiple lots, subject to a pre-defined cap precluding any licensee from acquiring the right to use more than 2×90MHz of paired spectrum across the release bands (with this cap applying to total spectrum holdings, including pre-existing and new resources acquired via the auction). The regulator explained that the global spectrum cap aims to prevent competitive distortion 'whilst still enabling licensees to acquire sufficient spectrum to service existing customers and deploy LTE going forward.' Of the three incumbent Bahraini mobile operators, Batelco currently holds 2×46.8MHz in the release bands (2×11.8MHz in the 900MHz band; 2×20MHz in the 1800MHz band; 2×15MHz in the 2100MHz band), Zain currently has 2×47MHz (2×4.4MHz + 2×7.6MHz in the 900MHz band; 2×25MHz in the 1800MHz band; 2×10MHz in the 2100MHz band), and Viva currently has 2×35.6MHz (2×5.6MHz in the 900MHz band; 2×15MHz in the 1800MHz band; 2×15MHz in the 2100MHz band). Other likely bidders include WiMAX and soon-to-be LTE operator Menatelecom. Coverage obligations will apply to all license winners which have either (i) at least 2×20MHz in the 2600MHz bands or (ii) hold any spectrum in the other release bands. These licensees are required to roll out mobile voice and data services to 99% of the population; incumbent mobile operators will be given nine months to comply with this obligation whereas others must reach the coverage target in two years. Due to lack of interest, the TRA dropped a previously-proposed 15MHz unpaired block of 1900MHz band spectrum from the Q1 2013 auction. **(January 29, 2013) telegeography.com**

Telecommunications Regulatory Authority (TRA) is aiming to issue an invitation to tender for next generation mobile network operating licenses on January 24, 2013. Following the expiry of a deadline for public responses to the regulator's consultation on the licensing process on January 10, the country is reportedly hoping to finalize the 4G awards this quarter, ahead of the Bahrain Formula 1 Grand Prix which takes place on April 21. In November 2012 the TRA announced that it would release the earmarked 2×70MHz of 4G spectrum in the bands 2500MHz–2570MHz and 2620MHz–2690MHz in its entirety immediately after concluding the license award process sometime in Q1 2013. **(January 14, 2013) Gulf Daily**

Bangladesh
Chairman: Sunil Kanti Bose

[Bangladesh Telecommunication Regulatory Commission (BTRC)]

The Bangladesh regulator has decided to revamp the planned 3G spectrum allocations in a move that could see more than one foreign company able to secure a license. The current draft guidelines would allow one new foreign entrant into the market, but regulator has decided to split the 50 MHz of spectrum into 10 blocks of 5 MHz instead of the planned 5 blocks of 10 MHz. The plans had been to award four licenses to incumbent operators, and reserve one for a new entrant. The new plans would allow more new entrants into the market, but also could allow all six existing operators to secure a 3G license. Secretary of post and telecommunication said that "the new slot of spectrum would not only help the small operators commercially, but it also paves the way for more foreign operators who are keen to invest here," He confirmed that the incumbent 2G network operators had consented to the changes. State owned Teletalk is already offering 3G services, but will be required to pay for its existing license based on the eventual outcome of the 3G license auction. The auction is due to be held in March. **(January 31, 2013) cellular-news.com**

The telecom regulator has started work to allow private investment for the installation of another submarine cable, which will act as the backup link for uninterrupted internet access. Chairman of Bangladesh Telecommunication Regulatory Commission (BTRC), said that they would complete necessary work by the year to invite tender for another submarine cable under private investment. "We've planned to invite tender for another submarine cable by the year, which would be installed totally with private investment," he said. Chairman said that the regulator has taken the initiative to explore new business opportunities for the private sectors. The BTRC chairman, however, said that the tender would be invited after assessing the market potentiality. Earlier in 2011, the regulator had taken the initiative to install a submarine cable under private investment. Later, in March in the same year they invited tender for the submarine cable where a consortium owned by five Bangladeshi companies took part. The regulator decided to invite tender again due to participation of only consortium in the process. Later, they stepped back from the decision of re-tender for that time. Meanwhile, state-owned Bangladesh Submarine Cable Company Limited (BSCCL) has started work to connect the country with second submarine cable "SEA-ME-WE-5" after taking permission from the regulator. BSCCL is expecting to connect with the second submarine cable by the December 2014. Currently, the country is connected to the world through only one cable- 'SEA-ME-WE-4,' a cable consortium of 15 countries from France to Singapore through Italy, Algeria, Tunisia, Egypt, Saudi Arabia, the United Arab Emirates, Pakistan, India, Sri Lanka, Bangladesh, Thailand and Malaysia. That's why telecommunications and internet connectivity are hampered, if the SEA-ME-WE-4 suffers any damage. Besides, in December last the country was connected to International Terrestrial Cable (ITC), as the private ITC operator NOVOCOM started its commercial operation. Other five ITC companies -- 1Asia- AHL-JV, BD Link Communication Ltd., Mango Teleservices Ltd., Summit Communications Ltd. and Fibre@Home Limited-are waiting to start commercial operation On January 5 last year, the telecom regulator issued ITC license to the six companies to get backup for uninterrupted internet access during disruption of the country's lone submarine cable SEA-ME-WE-4. **(January 16, 2013) thefinancialexpress-bd.com**

Bangladesh's Finance Ministry has approved the final minimum bidding price for 3G spectrum in the country's upcoming auction of 2100MHz mobile network operating licenses. In the auction for four blocks of 2×10MHz spectrum, the reserve bidding price per MHz of paired spectrum was set at US$20 million or equivalent toUS$300 million per license. The floor price had been submitted to the Finance Ministry by the Ministry of Posts and Telecommunications (MoPT) in October 2012, and is one-third lower than the previously proposed level of US$30 million. There will be a 15% tax on top of all radio spectrum payments. The auction is expected to take place this quarter, while a fifth license will be awarded to state-run Teletalk, which has already launched 2100MHz 3G services having been granted a period of exclusivity. **(January 7, 2013) telegeography.com**

Bangladeshi telecom regulator has ordered the mobile phone operators to stop their sub leasing business of optical fiber, except where infrastructure companies' network is absent. In a separate letter recently, the Bangladesh Telecommunication Regulatory Commission (BTRC) issued the order to the leading mobile phone operator Grameenphone (GP) and Robi referring 'amended guidelines for infrastructure sharing.' GP sought permission to the telecom authority for 'Approval of revised tariff for leasing or sharing of transmission capacity,' while Robi for 'approval on tariff chart for sub-leasing domestic transmission capacity of PGCB fiber (Chittagong-Cox's Bazar route)', but the authority did not allow them. In response of the GP application, BTRC letter issued on January 2 read that "The operator would be able to give sub lease of transmission capacity in those routes where NTTN companies have no optical fiber". The government issued two 'Nationwide Telecommunication Transmission Network' (NTTN) license in 2009 for building, maintain and operation of telecom infrastructure across the country by 10 years in order to help develop the sector. Before issuance of NTTN license, cell phone operators would get the opportunity for transmission business as they developed fiber optic network in different places of the country by build up or taking leasing fiber from railway and PGCB (Power Grid Company of Bangladesh). Now all mobile phone operators, internet service providers and WiMAX operators are compelled to use the common network of NTTN companies according to the amendment guideline of infrastructure sharing.

(January 7, 2013) lightwaveonline.com

Bangladesh's mobile networks will be asked to pay a minimum of US$20 million per megahertz of 3G spectrum when the regulator eventually auctions off the licenses. The base price was set by the Finance Ministry and communicated to the regulator. There will also be a 15%t tax on top of any amounts paid by the mobile networks - an issue which was subject to legal disputes last year as to whether VAT on radio spectrum can be reclaimed by the companies. BTRC Chairman said the telecom ministry would send him a final guideline on 3G licensing within seven days and then the BTRC would start the process. The auction is expected to take place within the next three months. A total of four 3G licenses are being offered to the private companies in a country that has seven mobile networks. The state-owned Teletalk has been granted 10 MHz of spectrum already, but will need to match the fees paid by the private bidders when the auction takes place. **(January 2, 2013) cellular-news.com**

Egypt
Executive President: Dr. Amr Badawi

[National Telecommunication Regulatory Authority (NTRA)]

The Minister of Communications and Information Technology has met with the heads of mobile phone operators in the Egyptian market (Mobinil - Vodafone - Etisalat Egypt) to discuss an issue with prepay top up prices. There have been protests over the past week about increases in the cost of prepay cards. During the meeting, market growth indicators were reviewed, discussions tackled the means of balancing the market stability and proposing distinctive offers, in addition to maintaining the companies' investment in communications and the services quality provided, bearing in mind the fact that mobile prices during the past five years have dropped down to more than 75%. The attendees have also reviewed the offered prices of some companies in the market recently. After the meeting, the ICT Minister underlined that there has not been any increase in the prices of recharge cards by Mobinil or Etisalat Egypt. Vodafone is currently studying the prices of recharge cards in its last promotion after it recently raised the cost by around 15 percent. **(January 23, 2013) cellular-news.com**

Proposals for a tax on new mobile voice connections could net the Egyptian government around EGP750 million (US$115 million) per year said Executive Director of the National Telecommunication Regulatory Authority (NTRA), Amr Badawy. With the taxes currently being discussed with a view to generating public support for such a move, Mr. Badawy noted that he expects around 30 million new mobile accesses will be connected in the first year following the implementation of the tax, with this figure in part a result of fixed line incumbent Telecom Egypt looking set to gain its own mobile voice concession. Alongside the new mobile tax, the report also notes that there are plans to increase the percentage of profits that mobile operators are required to pay to the state; it is understood that under the proposals cellcos will be required to pay an extra 3% of their profits to the government, increasing the total from 15% to 18%. **(January 9, 2013) The Egypt Independent**

Telecom Egypt (TE), the country's monopoly fixed line operator, reportedly expects the local regulator to make a decision on its stake in local cellco Vodafone Egypt this year, in the wake of the announcement that the state plans to grant it a mobile network operator concession by mid-2013. The Egyptian government plans to issue the fixed line incumbent with a mobile operator's license, with Amr Badawy, Executive Chairman of the National Telecommunications Regulatory Authority (NTRA), also noting that the country's existing cellcos will be given the right to acquire a license to offer fixed line services using TE's infrastructure; no date for the introduction of these concessions has, however, been revealed. **(January 2, 2013) Reuters**

Iraq
CEO: Dr. Buhan Shawi

[Communication & Media Commission (CMC)]

Qatar Telecom (Qtel) will take advantage of the upcoming stock market listing of the Iraqi mobile network, Asiacell to raise its existing holding in the company, a stock exchange official told. Qtel currently owns just under 54% of the Iraqi mobile network, which is itself about to list 25% of its shares on the Baghdad stock market in a move that will raise around US$1.3 billion for the company. Although Asiacell is required to list its shares on the stock market as a condition of its operating license, there has been some ambiguity about which of the current shareholders is selling their stake, or if this would be diluting their existing holdings through a fresh placement of shares. Layth Sulaiman, head of the ISX board of governors, told that he understood Qtel would not reduce its stake in Asiacell through the offer. The shares will be listed from this Sunday in what is one of the largest share offerings in the region for several years. The other two mobile networks are also required to list their shares on the stock exchange. **(January 23, 2013) Reuters**

A submarine cable project that links Iraq with other countries via internet, telephone and television services has been completed according to the Iraqi Ministry of Communications. "The two-year project, executed by Gulf Bridge International, will link Iraq -- by way of a submarine cable installed in the Arab Gulf -- with different countries," deputy minister of communications told. "In the next two months, after the experimental operational period ends, the project will provide telephone, internet, video, independent satellite TV stations and other services at lower prices and higher quality, compared to the satellites now in use," he said. The project cost approximately $36 million, he said. **(January 23, 2013) al-shorfa.com**

Jordan
Chairman of the Board of Commissioners/CEO: Mr. Mohammad Al Taani

[Telecommunication Regulatory Commission (TRC)]

The Telecommunications Regulatory Commission (TRC) said that three local companies showed interest in obtaining licenses to provide mobile telecommunications and fixed wireless broadband services in the Kingdom. The TRC which recently opened the door for applications to obtain licenses to provide these services said it plans to provide one new license for a mobile telecom operator. It added that it also plans to provide one license for the provision of fixed wireless broadband services. In the statement, the TRC said it will soon set all conditions and criteria needed for obtaining the licenses, adding that they will be announced by the end of March. According to official figures, mobile penetration in Jordan reached 138% by the end of September last year, with 8.767 million mobile subscribers. Internet penetration reached 63% last year. **(January 27, 2013) The Jordan Times**

The Ministry of Information and Communications Technology (MoICT) said it is awaiting responses from the country's telecom operators indicating whether they are willing to go into partnership with the government to complete the National Broadband Network project. If none of the Kingdom's telecom operators show an interest in completing the project, the ministry will float a tender in February to complete a new phase of the project at a cost of JD30 million. The tender seeks to attract firms interested in executing the project. The National Electric Power Company showed an interest in offering its infrastructure to facilitate the implementation of the project. Last year, the Cabinet approved floating a new tender to go ahead with the project. In February 2012, the government announced that it would establish a company to complete the implementation of the network, work on which was halted in 2008 when the Kingdom was affected by the global financial crisis. About 35% of the project has been completed so far at a total cost of US$36 million. In April, the MoICT gave mobile operators and Internet service providers one month to apply to become partners in the projected company. Several firms showed interest in having a stake in the company, but no requests were officially submitted to the ministry, according to MoICT officials. Work on the project started in 2003 with the aim of connecting all public schools and universities to a nationwide fiber optic network. The project was expanded in 2007 to include government agencies, healthcare centers and hospitals. Once the project is completed, residents of rural areas will have access to the Internet at schools connected to the network. **(January 16, 2013) Jordantimes.com**

The Ministry of Information and Communications Technology (MoICT) said it is awaiting responses from the country's telecom operators indicating whether they are willing to go into partnership with the government to complete the National Broadband Network project. If none of the Kingdom's telecom operators show an interest in completing the project, the ministry will float a tender in February to complete a new phase of the project at a cost of JD30 million, Minister of Industry and Trade and Minister of Information and Communications Technology told. The tender seeks to attract firms interested in executing the project, Minister said, noting that the National Electric Power Company showed an interest in offering its infrastructure to facilitate the implementation of the project. Last year, the Cabinet approved floating a new tender to go ahead with the project. In February 2012, the government announced that it would establish a company to complete the implementation of the network, work on which was halted in 2008 when the Kingdom was affected by the global financial crisis. About 35% of the project has been completed so far at a total cost of US$36 million. In April, the MoICT gave mobile operators and Internet service providers one month to apply to become partners in the projected company. Several firms showed interest in having a stake in the company, but no requests were officially submitted to the ministry, according to MoICT officials. Work on the project started in 2003 with the aim of connecting all public schools and universities to a nationwide fiber optic network. The project was expanded in 2007 to include government agencies, healthcare centers and hospitals. Once the project is completed, residents of rural areas will have access to the Internet at schools connected to the network. **(January 10, 2013) The Jordan Times**

Kuwait
Minister of Communication: Salem Mutheyeb Ahmed Al-Utheina
[Ministry of Communication (MOC)]

A survey based on 10,000 submissions tasked with tracking customer satisfaction in Kuwait across 17 industries revealed that customer satisfaction in Kuwait has improved by 2% in 2012 over 2011. The increase was led by satisfaction growth in 13 of the 15 industry monitored categories and a turn-around in the quality of service offered by mobile operators, ISPs, and car service providers, said Service Hero, the operators of the survey and publishers of the annual Service Hero Customer Satisfaction Index (SHCSI). The SHCSI, now in its third year, is Kuwait's only customer satisfaction indicator and derives its data from a 100-percent, voter-based survey that is solicited in the fourth quarter of every year. The latest survey ran online from October 1 and December 31 of 2012. Service Hero President Faten Abu-Ghazaleh said: "These results reflect the start of a major shift in Kuwait, as it shows that companies have started to listen to their customers and taken the first steps in making changes for a better customer satisfaction experience. This is especially evident for the three bottom-scoring industries on the index, as they have all grown the most in comparison with the rest of the industries." Though the three industry categories that led the SHCSI improvement were and continue to be the lowest scoring industry categories in customer satisfaction for residents in Kuwait, they have also been the highest growth gainers with 9%, 6%, and 5% in car service, ISPs, and mobile operators, respectively, for the last three years.
(January 28, 2013) zawya.com

Lebanon
Acting Chairman & CEO: Dr. Imad Hoballah
[Telecommunication Regulatory Authority (TRA)]

The government has approved a temporary one-month extension to the concession licenses for the country's two mobile networks, Alfa and Touch. The move gives the government a bit more time to prepare a tender to manage the two networks for a fixed five-year term. However, Telecommunications Minister had wanted a three month extension to the licenses. The government is currently working on a plan that would see the two concessions ended, and the mobile network infrastructures merged into a single national company. There would then be a number of licenses awarded to companies to operate effectively as MVNOs over the shared infrastructure. However it is unlikely that the process could be completed in just a month, either leading to a series of concession extensions, or more likely a delay in the government's plans until next year.
(January 30, 2013) cellular-news.com

Lebanon will get much-needed higher internet capacity via a Cyprus submarine cable, the telecoms minister said, adding that the 4G will be pilot tested in February. "To give you a few numbers, we have for this purpose, right now, 200 Gigabytes/s on IMEWE [cable] and very soon 700 [Gbps] on Alexandros," Minister told. Last year, the minister announced that Cyprus and Lebanon would work together on a new submarine cable dubbed Europa. The cable will allow Lebanon to share transmission capacity of the Alexandros cable, an international cable which has landings in Cyprus, Egypt and France. The minister did not mention a specific date for the completion of the project and was not available for a comment. Lebanon improved the DSL internet speeds two years ago but despite the improvement the country still lags behind most other countries in the region in terms of broadband and fiber optics connections. Minister presented his vision to develop the digital sectors. He argued that Lebanon has the ideal conditions to succeed in developing the industry. He said Lebanon possessed some of the most creative talent, adding that it had one of the highest ratios of engineers globally. Financing needs can be easily met, he added, through high banking sector liquidity. He said that the Central Bank, in coordination with his ministry, was mulling schemes to create venture capital and private equity funds, in a bid to provide more finances. He noted that with the right infrastructure, which his ministry is working to set up, Lebanon could become competitive in software development and become a regional digital hub. He also announced that his ministry was preparing a law that would legalize voice-over-Internet protocol, reducing the price of international calls. The infrastructure upgrades, Minister argued, would allow Lebanon to create a digital economy that can provide employment and help correct what he described a as "dysfunctional economic model." "The financial sector is already stretched to the maximum. Earlier, the minister said Lebanon would start enjoying faster Internet connection before the end of the year once the infrastructure work was completed. **(January 29, 2013) zawya.com**

Lebanon's telecoms minister has ruled out the privatization of the country's mobile market. Nicolas Sehnaoui said that the current set-up – under which two mobile networks are managed by Zain and Orascom Telecom Media and Technology Holding (OTMT) under contracts renewable on a year-to-year basis – could be replaced by a single network infrastructure company owned by the government, with between three and five private companies offered licenses to resell mobile services. The minister is reported to have already presented the case to the country's president, and prime minister, who is expected to forward it to the council of ministers in the next few weeks. 'It will take at least until the end of 2013 to start being implemented. It will take another two to three years to be operational,' said Sehnaoui. The minister also said that the government may sell up to 3% of the infrastructure company. **(January 2, 2013) The National**

Libya

Minister: Osama Siala

[(Ministry of Telecommunications & Informatics)]

According to a report a number of major international telecoms players have expressed an interest in landing one of two available contracts for the management of state-owned Libyan mobile operators Libyana and Almadar Aljaded (Al Madar Telecomm Company). The tender, which is due to expire on February 3, has so far piqued the interest of France Telecom-Orange (FT-Orange), Etisalat of the UAE, Digicel Group of Jamaica, the UK's Vodafone Group, Vimpelcom of Russia, Qtel of Qatar and India's Bharti Airtel. According to an anonymous source with knowledge of the tender process, FT-Orange's Sofrecom unit – a consultancy firm which claims to have worked with 'over 200 major players in over 100 countries' – is the clear front-runner, and has pre-existing ties to Libyana. The source added: 'Vodafone is also a likely contender, having recently secured an agreement with Al Madar. It is certainly an interesting market, so it is not surprising that it is attracting a fair bit of attention'. However, the source cast doubts over the imminent deadline, saying: 'I am not convinced that the process will complete [on time] as there has been some negative speculation about the intentions of certain parts of the government'. Speculation is also rife that Tripoli is planning to re-introduce plans to auction off a third mobile licence. In July 2010 it was confirmed that Etisalat and Turkcell of Turkey had both been overlooked for a new LYD1 billion (USD825 million) concession. The Gaddafi regime branded bids by the international duo 'unsuitable', without offering any further explanation. **(January 24, 2013) TMT Finance**

Morocco

Director General: M. Azdine El MountassirBillah

[Agence Nationale de Reglementation des Telecommunications (ANRT)]

Morocco is making positive infrastructure inroads in the country to better connect users on mobile phone networks. According to a recent study published by the country's telecom regulator ANRT, mobile voice services have seen massive boosts in the country. The survey found that the average successful voice calls between users was 95.5% in cities, 93.73% on highways and 93.41% on national roads. Only railways saw a slight dip at 84.86% connectivity. It comes on the heels of the government efforts to boost telecom infrastructure in the country to better allow mobile users to have access to their phones. "The report is based on sample of 20 cities of various sizes, every motorway, railway and 14 national road segments," the regulator said in announcing their results of a study from September and October last year. "Calls are deemed successful if they do not cut off within two minutes of connecting," it continued. The study did not, however, report the individual ratings for the country's three mobile operators, Maroc Telecom, Meditel and Inwi, other than to indicate if they are above or below the average for each location. **(January 28, 2013) itnewsafrica.com**

The National Agency of Telecommunications Regulation (ANRT) approved by decision No. 01/13 of 21 January 2013, the technical and pricing interconnection in mobile IAM and Medi Telecom under the year 2013. This new decision reiterated the measures taken by the Agency in its decision 10/12 of January 25 concerning the multiannual framework termination rates interconnection traffic.
(January 22, 2012) anrt.net.ma

The National Agency of Telecommunications Regulation (NTRA) publishes indicators of service quality of national networks proving 2G voice services, measured during the period from September 27 to October 23, 2012.
(January 21, 2013) anrt.net.ma

Nepal

Chairman: Mr. Digambar Jha

[Nepal Telecommunication Authority (NTR)]

Nepal Telecommunications Authority (NTA) has started a study to find out whether Smart Telecom is eligible to acquire the unified license. The rural telecom service provider had applied for a unified license last November. The company will get permission to operate telecom services across the country if it gets a unified license. The government had introduced the unified license provision in May last year, which allows operators to operate technology neutral technology, that is, free to offer basic telephony services through GSM and fixed-line, as well as international long distance calls. A team from NTA will be deployed to check whether Smart Telecom has completed the mandate published in the gazette notification, said director at NTA, adding that the regulator will decide on the application after verifying whether the company has completed all the current licensing conditions. With the unified license, Smart will also get another 3 MHz of spectrum to expand its services. Smart is the second operator to apply for a unified license. Limited mobility services operator United Telecom Limited (UTL) had applied for a unified license in October. Smart Telecom has been providing services in 25 districts of the eastern region through its limited mobility technology. The company is liable to provide at least two telephone lines in 398 Village Development Committees of the eastern region where there was no telephone services until 2007. **(January 31, 2013) thehimalayantimes.com**

With the objective of minimizing health hazard caused by radiations and setting the standard for electromagnetic radiation (EMR) level for operators, Nepal Telecommunications Authority (NTA) is preparing a guideline on health hazard due to wireless communication. The guideline will help set the standard for the operators and to minimize health hazards and will suggest safe radiation level for the operators. The telecom sector regulator sought opinion from telecom operators, Internet service providers, stakeholders and professional to contribute on the consultation paper before finalizing the draft. Once enforced, the guideline will require the service providers to submit a report on adherence to the minimum EMR level within three months of the completion of each fiscal year. Similarly, it will require the operators to place warning signals wherever there is risk of potential exposure to EMR and on ways to minimize such risk. According to NTA, it will also have the right to penalize the operator in case of non-compliance to the radio emission levels. "If anyone is found affected due to high exposure to EMR, the authority has the right to make service providers provide compensation to the affected persons," NTA officials said, adding that the regulator will also have the authority to shut down such systems which do not comply with the radio system standard of the guidelines. Likewise, NTA is also hiring a consultant to set the guidelines for Base Transceiver Stations. **(January 23, 2013) myrepublica.com**

Ministry of Information and Communications (MoIC) in Nepal has accused the Finance Ministry for delays in launching a plan to find a strategic partner for state-owned incumbent Nepal Telecom (NT). MoIC secretary is quoted as saying that the ministry of finance and its appointed privatization committee are entirely responsible for the situation, which is ultimately hurting cash-strapped NT. According to secretary, the ministry-led committee should have held a meeting to take a decision on privatizing public enterprises, but has failed to do so 'due to finance minister. The official goes on to say that the finance minister is strong on pledges when it comes to setting up meetings at the earliest opportunity, but that his heel-dragging has left the quest to find a strategic partner for NT in limbo. 'NT is in dire need of a strategic partner but all politicians and MoIC officials have been milking NT and are reluctant to implement any reform agendas,' he claimed. The accusations mark the latest in a series of increasingly acrimonious tit-for-tat exchanges by the parties involved. in September 2012 the government committee formed to oversee the process of finding a strategic partner for NT recommended the sale of a 30% stake in the state-owned operator. At the time, finance secretary was quoted as saying that the sale should be completed within the next 18 to 24 months. As it stands, the government owns a 91.49% stake in NT, having already divested a 4.68% shareholding to employees and 3.83% to the general public. **(January 22, 2013) The Himalayan News Service**

Telecom companies and network service providers asked the regulatory authority to extend the frequency fee payment deadline and lower the spectrum fee. Speaking at a meeting organized by the Nepal Telecommunications Authority (NTA), officials of six telecom operators requested the authority to provide at least nine months after the fiscal year-end to clear the frequency fee. According to the Radio Frequency Distribution and Pricing Policy, service providers should clear the microwave frequency and minimum frequency fee within six months of the end of a fiscal year. Likewise, in case of operators, who are using additional frequency apart from the minimum frequency assigned as per the policy, the time frame is three months after the end of a fiscal year. The six licensed telcos also inquired about the newly implemented pricing policy and the rationale of the fee structure during the meeting, according to the NTA. After the implementation of the new policy, prices of radio frequency have gone up by up to 100 percent. Previously, frequency prices were fixed on the basis of Telecommunications Act 1997, which was charging nominal price. According to the policy, if service providers fail to pay the fee within the given time, they will be charged additional 2 percent on the outstanding amount on monthly basis for six months. The authority also has the right to revoke the permission and withdraw the assigned frequency. Not just that, the policy has also made it mandatory for operators to pay 3G spectrum fee. The previous policy was silent on the issue. The authority, meanwhile, has asked for some time to analyze the policy prior to taking any decision. **(January 17, 2013) myrepublica.com**

The Nepal Telecommunications Authority (NTA) is preparing a regulatory framework to facilitate the migration from conventional switched PSTN networks to a next generation network (NGN) platform. The NTA has set up a team to study the implementation of NGN in the networks in the country. The NTA official adds that the new regulatory framework is designed to assess the technical and regulatory aspects of a phased migration, and will also provide guidelines to develop the necessary human resource skills to deal with the shift from legacy platforms in the country. However, he conceded that the actual deployment of NGN networks in Nepal is very much in the preliminary stage noting: 'Different regulatory aspects, as well as concerns of operators also have to be studied before the full deployment of NGN.' It is understood that a separate NGN regulatory framework is urgently needed, given that Nepal's incumbent operators are currently in the throes of purchasing equipment as part of their upgrade plans. (**January 2, 2013) telegeography.com**

Oman

Chief Executive Officer: Dr. Hamed Al-Rawahi

[Telecommunication Regulatory Authority (TRA)]

Oman's Nawras has reported a 22% fall in its full-year profits as the company was hurt by higher depreciation costs and lower operating profits, only slightly offset by lower borrowing costs. Full year revenue fell by 1.7% to RO193.5 million while net profit fell by 22% to RO37 million. The decline in revenue was primarily driven by a reduction in SMS and on net voice revenue, partially offset by growth in both mobile and fixed data revenues. EBITDA for 2012 was affected by lower revenue as well as increase in cost of sales due to increased international minutes. The landline customer base grew by nearly 62.9% to 44,261 in 2012 compared to 27,175 at the end of 2011. The mobile post-paid customer base developed by 3.4% to 179,182 compared with 173,274 customers in 2011. The mobile pre-paid customer base increased by 11.9% from 1,759,787 in 2011 to 1,969,586 in 2012. Nawras' CEO, Ross Cormack said: "It is pleasing to report that our customer numbers continued their upward trend in the year 2012, resulting in the best acquisition figures since 2010. We now have nearly 2.2 million customers, an increase of more than 11% per cent on 2011. The comprehensive market research and analysis we did during 2012; has given us the ability to develop strategies for customer acquisition and retention, a key advantage in a market that is set to become much

more competitive, and to focus even more on making our customer experience dynamic, pleasurable and different." Qatar's Qtel is a 55% shareholder in Nawras.
(January 27, 2013) cellular-news.com

TRA intends to introduce new arrangements for the allocation of special numbers to end customers and the Telecom Operator in a more efficient and equitable manner. This is a specific statutory responsibility of the TRA. One way to achieve this is to ensure that if a user values a certain number highly, he or she should be granted the right to use it in a non-discriminatory manner and in accordance with the overall numbering plan. Members of the public are invited to comment on whether to go with auctioning mobile special number to maintain transparency in the allocation and how such auctioning should be implemented. Therefore, TRA seek your opinion on the following:

- What is your opinion with regard to the auctioning should be made on-line or it should be conducted in a different way?
- Propose a method with reasoning?
- Once TRA implement the method of auctioning of special numbers, will the public seeks TRA to allow the trade of special numbers? The answer should contain reasons why TRA should allow the trade of special numbers?

Comments and answers to the above question are to be submitted before February 20, 2013. **(January 20, 2013) tra.gov.om**

Pakistan
Chairman:

[Pakistan Telecommunication Authority (PTA)]

A Pakistan court has ordered the removal of the Chairman of the telecoms regulator after annulling his appointment to the post. The Lahore High Court ordered that Farooq Awan step down as Chairman of the Pakistan Telecommunication Authority (PTA) after it found that he lacked the necessary qualifications to hold the post and that his appointment was due to political bias by the government. The court's actions are however also being seen as politically motivated, and as Chairman, Farooq Awan had not built up stable relations with the industry, which was considered critical during the 3G license auction process. The court found that the appointment of the ICT secretary as the regulator Chairman did not follow the established procedures for an openly advertised role, nor where the other two members of the board considered for the role as would have been required. The appointment of the board of directors for the regulator is governed by the Telecommunication Act. The 3G auction timetable is not expected to be affected by the removal of the Chairman, as the government is keen to push ahead, if only to raise much needed revenue.
(January 22, 2013) cellular-news.com

The wireless Internet users have been on the decline due to immense competition of WiMAX operators with EvDo and DSL service providers on price, service quality and coverage area. The Pakistan Telecommunication Authority (PTA) statistics stated that Internet subscribers using WiMAX technology have declined to 591,860 from 597,618, showing a modest decline of 5,938 connections in the month of September as compared with August. This was the first time the WiMAX sector saw contraction in subscribers' growth since its launch in the country. On the other hand, subscribers using EvDO and DSL grew by 29,104 and 7,829 in September versus August totaling the overall base to 666,886 and 904,154, respectively. These two technology providers mainly Pakistan Telecommunication Company Limited (PTCL) and WorldCall attracted significant number in the first quarter ending in September. The overall connections of Internet have increased to 108,684 in the first quarter of the financial year 2012-13 in which EvDO technology holds lion's share of 82,427 connections whereas DSL connections surged to 24,083. The Internet users having WiMAX services increased to 1,793 in the July to September 2012, PTA data said. The WiMAX sector witnessed a stagnant growth in the subsequent months of September due to immense competition among the operators and against different technologies such as Direct Subscriber Line (DSL), EvDO and Fiber to the Home, telecom analysts said. The WiMAX operator has imposed monthly Rs 50 additional charges on their services in June that caused them less competitive against the operators providing Internet through DSL and EvDO, they said. PTCL is ruling the Internet market with wide area of service coverage in multiple cities compared with WiMax operators. Its DSL service is available in 1,800 cities and EvDo in 250 cities. The operator has introduced high speed Internet with different packages to attract handsome number of subscribers in domestic and commercial sectors, telecom analysts said. PTCL has brought up bundle package for EvDo with new cutting-edge gadgets besides it doubled the 1Mbps speed of its connection to 2Mpbs at the same cost that spelled into widening of subscribers base. On the other hand, the WiMAX operators are limited to few cities among cutting-throat competition within the sector and service quality issue in areas of low coverage. WiMAX President Declan Byrne, in a recent visit to Pakistan pointed out the challenges being faced by operators of the technology, saying the allocation of spectrum for WiMAX in Pakistan has capped the performance, productivity and subscribers growth of operators. He said that WiMAX operators should be given a level-playing field like all broadband technologies for expected expansion and investment in the sector. The Internet users in the country have been estimated to cross 10 million in the country using different services, reported Internet Services Providers Association of Pakistan. The number of broadband Internet users is nearly 6.0 million using limited connections through multiple Wi-Fi enabled devices including mobile phones, laptop and tablets.
(January 16, 2013) dailytimes.com.pk

The China Mobile Pakistan (CMPak), which operates under the Zong brand name, has applied to sector regulator the Pakistan Telecommunication Authority (PTA) for the defunct international long-distance (LDI) license previously held by Callmate. The announcement comes in the lead-up to the end of a seven-year moratorium on the issuance of new LDI concessions: as part of the state's agreement to sell a 26% stake in incumbent Pakistan Telecommunications Company Ltd (PTCL) to Etisalat, it was agreed that no new licenses could be issued for seven years. The paper cites a senior official at Zong as saying that the cellco has been given approval by the telecoms ministry to participate in a future auction of the defunct LDI license. **(January 14, 2013) The Daily Times**

The mobile phone subscription increased by 1.20% or 1.45 million in the first fourth months of the current financial year 2012-13 to 121.51 million on increasing trend of multiple SIMs' ownership by mobile phone users and falling rates of calls and SMS bundles. According to statistical data issued by PTA it has been revealed that all cellular companies added over 1 Million subscribers during the October to take the total number to 121,602,339 subscriptions by end of October 2012. Statistics further revealed that cellular tele-density has been reached to 68.8 percent, up from 68.3% a month earlier. According to this data Mobilink is the cellular company which is leading the sector with 36,388,770 subscribers after adding 314,782 customers in October 2012 while Telenor is at second position with 30,428,972 customers. Ufone had 24,072,203 customers by October end and it added 243,194 new customers in the said month. PTA figures further revealed that Zong had 17,951,385 customers by October 2013 and it added 150,353 customers in the month. Warid showed positive growth in this regard and added 114,151 customers during the fourth month of fiscal year 2013. Warid's total subscription base hit 12,761,009 mark. **(January 11, 2013) onlinenews.com.pk**

UAE-based Etisalat has refused a government proposal intended to end a dispute over an outstanding payment of US$800 million due as part of Etisalat's acquisition of a 26% stake and management control of Pakistan Telecommunications Company Ltd (PTCL) dating back to 2006. As part of the deal some 3,248 properties were to be transferred to PTCL, of which 3,117 have been transferred to date. The government had offered to deduct the value of the remaining 131 properties from the US$800 million, but such an offer was rejected. Prime Minister Raja Pervez Ashraf recently weighed in on the matter, requesting in a meeting with Etisalat's CEO that the telco clear the funds, adding that Etisalat should nominate a team to negotiate with the government to resolve the issue. **(January 2, 2013) The Business Recorder**

The National Assembly's Standing Committee on Information Technology has declared that sector regulator the Pakistan Telecommunications Authority (PTA) was responsible for breaking rules regarding the selection of consultants for the 3G license auction. The National Accountability Bureau (NAB) launched an investigation into the hiring of consultants in December 2012 after members of the PTA complained that the watchdog's chairman had acted unilaterally and without the assent of the Pakistan Procurement Regulatory Authority (PPRA) in the selection of the consultants. The PTA chairman was indeed found to be responsible for the decision, and the contracts have since been terminated, though all payments to the consultants made by the PTA are to be recovered from the chairman. **(January 2, 2013) telegeography.com**

The telecommunication sector that includes mobile phone operators is counted as one of the most stable sectors of business but US$270 million has been transferred abroad from this sector too over the past five months, according to the State Bank of Pakistan (SBP) estimates. From July to November, 2012, investment in this sector has gone down as more capital has been taken out. Experts said that it is strange that the foreign companies are shifting their capital abroad at a time when the economy of the country is in a shambles. They say one of the reasons for decline in investment in the telecommunication sector is introduction of shuttering technique in networking system that allows companies to have their signals relayed from one tower instead of installing different towers for different companies. **(January 2, 2013) thenews.com.pk**

Qatar
Executive Director: Mr. Greame Gordon
[The Supreme Council of Information and Communication Technology (ictQATAR)]

Qatar's telecoms regulator will introduce mobile number portability (MNP) by the end of January in a move likely to increase competition in a sector dominated by state-controlled Qatar Telecom (Qtel). The regulator, ictQATAR, said on its website that MNP would give residents "the ability to more freely choose the best service provider to meet their needs", adding that this was an important part of the liberalization of Qatar's telecoms market. Qatar was the last of the six Gulf co-operation countries to open up its telecoms sector, with loss-making Vodafone Qatar ending Qtel's monopoly in 2009. Since then, Vodafone Qatar – 49% owned by the Qatar Foundation has steadily built up its customer base to 936,300 mobile subscribers at September 30. This is equivalent to 51% of the population, but its share of total mobile revenue is much lower at 25% for the six months to September 30. That is because many cost-conscious residents hold SIM cards for both operators and switch between the two, depending on what offers are available. Mobile penetration is about 167%, or 1.67 subscriptions per person. Consequently, the launch of MNP may do little to help Vodafone win new lower-income customers, but it could enable it woo businesses and wealthier individuals who are reluctant to change their phone numbers, provided that the company can also meet their other communications needs. **(January 10, 2013) zawya.com**

Saudi Arabia
Governor: Eng. Abdullah A. Al Darrab
[Communication & Information Technology Commission (CITC)]

Saudi Arabia's telecoms regulator has a set a May 4 deadline for companies to submit applications for three mobile virtual network operator (MVNO) licenses in the kingdom. Such virtual networks are widespread in Europe and other developed markets, but regulators in the Gulf have been reluctant to open their markets to increased competition because most of the region's 15 mobile operators are ultimately government-controlled and are often a key source of state revenue. The Saudi regulator, the Communications and Information Technology Commission (CITC), will issue up to three MVNO licenses, which will lease capacity from either Saudi Telecom Co (STC), Etihad Etisalat (Mobily) or Zain Saudi. United Arab Emirates company du and Oman's MVNO Friendi have both expressed interest in obtaining a Saudi MVNO license. The winners of the licenses will be announced 12 weeks after the bid deadline. As well stating a bid submission deadline and a likely license issue date, the CITC document also sets the fee at 5 million riyals (US$1.33 million). The MVNOs will also pay 15% of their annual revenue to the regulator. There will be a further annual license fee of 1% of revenue, plus other miscellaneous charges. Saudi Arabia's mobile penetration is the fourth highest in the world at 191%, or nearly two subscriptions for every resident, so MVNOs are expected to compete for customers from other companies rather than bring in new subscribers. Former monopoly STC and Mobily dominate the market, accounting for 48% and 41% of revenue respectively for the nine months to September 30, with loss-making Zain Saudi claiming the remainder, NBK Capital estimates. The big two have largely focused on wealthier customers, while Zain Saudi, which has long struggled against its better-resourced rivals, has an inferior network and is unable to offer the same comprehensive internet and phone packages. Consequently, Zain Saudi's main means to compete is through undercutting its rivals, making it more vulnerable to MVNOs, which often target lower-income groups. The winning bidders must launch services within 12 months of their license being issued, the CITC said. **(January 16, 2013) tradearabia.com**

Sri Lanka
Director General: Mr. Anusha Palpita
[Telecommunication Regulatory Commission (TRC)]
The Telecommunication Regulatory Commission (TRC) has decided to ban imported mobile phones that are not registered with the telecoms regulator. The TRC's Director General has said that all imported mobile phones should be registered and they are required to meet certain safety regulations. The mobile networks will be required to block unregistered phones, he added. TRC has taken steps to maintain a Central Equipment Identity Register and all the phones failing to register will be disabled by checking their IMEI against the central database. There will be an unspecified grace period before the ban comes into effect to give existing users time to register their handsets.
(January 22, 2013) cellular-news.com

Telecoms operators are expecting a boost to broadband internet subscriber take-up and usage following the reduction of the Telecommunications Levy on internet services on January 1, 2013. On that date the tax was lowered from 20% of revenues to 10% of revenues, for broadband and other internet services, fixed or mobile, under the state's 2013 budget. The country's largest mobile operator by subscribers Dialog Axiata was quoted as saying that the full reduction in tax would be directly reflected in consumers' monthly bill or usage charges for internet services, and a spokesperson for the cellco added that 'one of the immediate effects will see the volume of business going up which will prompt the operators to capitalize or re-invest in the system.' CEO of rival cellco Hutchison Telecommunications Lanka, said: 'I think this is an excellent initiative by [the government] to promote and increase data connectivity. What we are going to be doing is to directly pass this benefit on to the consumer in terms of added value... For existing packages we hope to increase their megabit availability and for those who are not on with us, we are going to offer new packages for various groups in Sri Lanka in an effort to promote this across all segments.' The Telecommunications Regulatory Commission (TRC) of Sri Lanka estimates that 1.2 million of the country's 20.5 million population currently use the internet, and the government aims to increase this figure to three million by 2015. **(January 8, 2013) telegeography.com**

The Telecommunications Regulatory Commission (TRC) has reduced the telecommunication levy on internet broadband connections. The Director General of TRC Anusha Pelpita said the telecommunication levy on internet and broadband services will be reduced by 50% from January 1, 2013. Accordingly, the telecommunication levy will be reduced from 20% to 10%. The Director General said the tax reduction is implemented under the 2013 budget proposal submitted by the President to promote the use of broadband in the country. The official pointed out that 1.2 million Sri Lankans use internet now in Sri Lanka and the government aims to increase it to three million by 2015.
(January 2, 2013) colombopage.com

Tunisia
President: Mr. Hassoumi Zitoune
[National Telecommunication Commission (INTT)]
After more than one and a half year since Orange Tunisia had been asked to suspend its media gateway, they have been allowed to resume operations of their unlimited VoIP service. Tunisia's communications ministry had announced in January 2011 the full liberalization of VoIP in the country. However, in June, the INT suspended the sale of VoIP over Orange's Livebox because they considered the terms and conditions of LiveBox incompatible with regulations. The company has now received the approval of the regulator to boost its Livebox, however at this stage, only Orange ADSL customers will benefit. **(January 10, 2013) agenceecofin.com**

A partnership agreement has been signed between the Tunisian Internet Agency (ATI) and Meninx Technologies Data Centre (MXT). The two structures will work together to strengthen the deployment of Internet Protocol in its sixth version (IPv6) in Tunisia. To better address the Tunisian sites that will be housed in the new Data Centre Meninx, located in Enfidha, IPv6. The agreement between Meninx Data Centre Technology and ATI also focuses on the accession of new member Meninx as the platform for the exchange of Internet traffic Tunisia (TunIXP) from ATI and accommodation Meninx Data Centre a copy secondary name server (DNS) of Tunisia. Finally, ATI and Meninx want to make Tunisia a crossroads of trade between all actors in information technology and communication by improving the provision of secure hosting applications and websites in countries. **(January 10, 2013) agenceecofin.com**

Qatar Telecom has reached an agreement with the Tunisian government to buy a 15% stake in Tunisiana for US$360 million, a move that will take the group's total stake in the Tunisian telecoms operator to 90%. Kuwaiti-based National Mobile Telecommunications Co., or Wataniya, a 92.1% subsidiary of Qtel , already has a direct holding of 75% in Tunisiana, Qtel said in a statement on its website Tuesday. Following completion of the transaction, the Tunisian government will retain a 10% holding in Tunisiana and will examine a public offering in the future, the statement added. "We are pleased to have been offered the opportunity to further increase our shareholding in Tunisiana, an outstanding company which we believe will continue to deliver long term value for our shareholders," Sheikh Abdullah bin Mohamed bin Saud al-Thani, chairman of Qtel said in the statement.
(January 2, 2013) Dow Jones Newswires

Turkey
Chairman & CEO: Dr. Tayfun Acarer
[Information & Communication Technologies Authority (BTK)]
One of the UK's highest courts has ruled that Russia's Altimo was right in seizing shares in the Turkish mobile network, Turkcell when a loan secured on those shares was not repaid. Cukurova had tried to argue that its attempts to repay the loan were blocked by Altimo, but the court upheld the opinion that Cukurova was late in its repayments, and Altimo was entitled to exercise its right to seize the shares offered as security for the loan. However the court also ruled that the Turkish debtor, Cukurova is to be given time to repay the loan by other means, so if it is able to raise the necessary US$1.35 billion it may be able to retain control of the mobile network. The Judicial Committee of the Privy Council has reserved a final judgment until the two sides have met to try and settle that last issue. The appeal was held by the UK's Privy Council as it is the highest court of appeal for

issues originating the British Virgin Islands. The BVI was only involved as the location for the deal after Cukurova shifted its shares in Turkcell Holding to the country to avoid an unrelated issue when TeliaSonera sought to enforce its own put-option to buy the shares. TeliaSonera lost a later legal action to enforce its rights to the shares, leaving open the opportunity for Altimo to take them when Cukurova defaulted on its debts. The court has not set a date for its final ruling once the two sides meet to discuss repayment of the loan. **(January 30, 2013) cellular-news.com**

United Arab Emirates
Director General: Mr. Mohamed Nasser Al Ghanim
[Telecommunication Regulatory Authority (TRA)]
Research In Motion (RIM) is attempting to persuade telecoms operators Etisalat and Du to provide its 'BlackBerry Messenger Voice' service to consumers in the UAE. The BlackBerry Messenger Voice, a service that allows free phone calls over Wi-Fi, has become a sticking point for RIM and the two UAE telcos, as they try to mitigate the negative effect on traditional revenue streams from free messaging and voice applications. The voice feature became available to download across the world in December, but RIM has been in negotiations with Etisalat and Du to offer the service since then. The Canadian firm has been lobbying the UAE's Telecommunications Regulatory Authority (TRA), which says it would encourage Etisalat and Du to sign up to commercial agreements with RIM to provide the voice service at an extra cost for customers and gain additional revenue. 'We would not want the UAE to be seen as a restrictive case,' said a senior official at the regulator who believes that a resolution ahead of the upcoming launch of the BlackBerry 10 is unlikely. The report also cites a statement from RIM as saying that the firm continues to work closely with its UAE partners to bring BlackBerry services to customers. 'We undertake rigorous due diligence with all BlackBerry product and service launches to guarantee the functionality, features and rich user experience that our customers have come to expect, while ensuring that they comply with the regulatory framework of the countries within which we operate,' the statement added. An earlier agreement between RIM and the TRA saw the regulator abandon a plan to suspend BlackBerry's Messenger, e-mail and web-browsing services in October 2010. Two months earlier, the TRA said it would ban the services for security reasons, after ongoing attempts to bring them in line with the country's telecoms regulations had failed. However, in the days leading up to the introduction of the ban, the TRA confirmed that it no longer planned to suspend the services, stating that the solution was 'now compliant with the UAE's telecommunications regulatory framework,' after an undisclosed deal between the two parties was reached. **(January 30, 2013) The Wall Street Journal**

The Telecommunications Regulatory Authority (TRA) held a symposium on Professional Mobile Radio service (PMR) with the participation of experts from a telecom consultant (Orbion Consulting) specialized in mobile radio sector. The event was also attended by international and local telecommunications companies. The symposium aims to discuss scientific concepts related to managing and organizing telecommunications services solutions that are mainly used for commercial and industrial companies including oil companies, international airports and seaports, as well as companies operating in construction projects and large scale public services. TRA is organizing this symposium to invite specialized telecommunications companies and to open the market for competition to introduce a new operator for this service so as to cover the needs of institutions, companies and public service facilities, as well as institutions who wish to make use of these systems in the future. TRA is expecting that the Managed PMR services will gain economics of scale, more efficient use of frequency spectrum, more efficient use of the infrastructure investment and improved efficiency of the telecom personnel. This should be reflected in the reasonable costs of using the service compared to the total costs of owning and running dedicated radio networks by individual companies, organizations and authorities.
(January 28, 2013) zawya.com

According to official data nearly 1.62 million new mobile phone users joined the UAE market in the first 10 months of 2012 to push the total number of subscribers to a record high of 13.34 million. Fixed line users increased by nearly 115,000 but the number of internet subscribers through routers and fixed lines declined by nearly 378,000 during that period as many of them switched to smart phones browsers, showed the figures by the Telecommunications Regulatory Authority (TRA). A report showed du appears to be narrowing the gap with the UAE's first service provider Etisalat as it controlled more than six million subscribers while nearly seven million users were registered with Etisalat at the end of October. The report also showed pre-paid subscription remained the dominant mobile phone service, with their number standing at 11.66 million at the end of October, more than 85% of the total GSM users in the second largest Arab economy.
(January 2, 2013) emirates247.com

The Telecommunications Regulatory Authority (TRA) announced the completion of the 2012 'Mobile Networks Benchmarking Survey' for services provided by UAE operators. The survey was conducted in line with the TRA's commitment to the provision of quality services and ensuring operators' adhere to the terms and conditions of their licenses. "Tracking the status of mobile networks and the range of services provided is extremely important. This is one of the reasons why the TRA places a great deal of significance on the surveys' findings and with this in mind, we decided to conduct this research on an annual basis," said H .E. Mohamed Nasser Al Ghanim, Director General of the TRA. "Through this research we are able to ascertain the current state of the networks and critically, pinpoint areas in need of improvement. This type of research plays an integral role in achieving our overall objective as telecommunication regulators and positively, initial figures suggest that we are on the right track. By working with our industry partners, stakeholder groups and the general public, I have every confidence that the UAE's telecommunications sector will continue to go from strength to strength," H .E. Mohamed Nasser Al Ghanim added. The annual survey measures the level of services offered by mobile networks as a means to ensure that each operator meets strict performance requirements. The benchmarking program was carried out through driving tests for more than 11,000 kilometers across the UAE, and making more than 27,000 voice test calls attempts. The findings were recorded and the process of discussing the results with operators that comprise the UAE telecommunications sector is currently ongoing. In line with transparency policy, the TRA will publish the results of the survey once discussions with operators have concluded. Crucially, by employing state-of-the-art research techniques, the TRA is able to sufficiently ensure the validity of its findings. The research measured key performance indicators (KPI) that directly relate to the end-user experience through simulating an actual telecommunication environment. **(January 2, 2013) zawya.com**

Yemen
Minister: Dr. Ahmed Ebeid Bin Dagher
[Ministry of Telecommunication & information Technology (MCITT)]
Minister of Communication and Information Technology Dr. Ahmmed Obeid Bin Dagher announced to the press about the decision of 25% reduction in Internet fees. Minister added that the decision of reduction of internet service, no doubt will increase the number of subscribers in Yemen. **(January 2, 2013) almotamar.net**

Regulatory Activities Beyond the SAMENA Region

United States

US telecoms giant AT&T has announced in an 8-K filing that it has agreed to acquire 'B-block' spectrum in the 700MHz band from Verizon Wireless for US$1.9 billion in cash, as well as securing Advanced Wireless Services (AWS) concessions in a number of additional markets, including Phoenix (Arizona), Los Angeles and Fresno (California) and Portland (Oregon). The 700 MHz licenses are said to cover 42 million people in 18 states — California, Colorado, Florida, Idaho, Illinois, Louisiana, Montana, New Mexico, New York, Ohio, Oklahoma, South Dakota, Tennessee, Texas, Utah, Virginia, Washington and Wyoming. AT&T has said that the acquisition will complement its existing holdings in the 700 MHz 'B' band and help it to extend its Long Term Evolution (LTE) network to 300 million people by the end of 2014. In a parallel transaction, Verizon Wireless will sell lower 700MHz 'B-block' licenses covering the Charlotte, Greensboro and Raleigh-Durham markets in North Carolina to Grain Management, a Sarasota, Florida-based private equity firm, for a payment of USD189 million. Further, Verizon will lease from Grain Management an AWS license covering Dallas, Texas, which Grain is acquiring from AT&T.
(January 28, 2013) telegeography.com

The Federal Communications Commission (FCC) will shortly begin a project to free up additional spectrum for WiFi. The U.S. regulator said it will take the first steps next month to "unleash" up to 195 MHz of spectrum in the 5-GHz band, noting that this will be the largest block of unlicensed spectrum to be made available for the expansion of WiFi since 2003. "As this spectrum comes online we expect it to relieve congested WiFi networks at major hubs like convention centers and airports," said FCC chairman Julius Genachowski, in a statement released to accompany his presentation at CES in Las Vegas this week. The 5 GHz of spectrum in question is already in use by other federal and non-federal agencies, but the FCC has pledged to move swiftly in cooperation with these parties to free up the airwaves. The new spectrum will increase the available bandwidth for WiFi by 35% and will allow for gigabit WiFi. The IEEE is currently working to standardize 802.11ac, or gigabit WiFi, which works in the 5-GHz band and offers speeds starting at 433 Mbps and rising to more than 1 Gbps, depending on configuration. The IEEE expects final working group approval in November, with the first devices likely to come to market next year. **(January 11, 2013) totaltele.com**

The US telecoms regulator has outlined plans to release up to 195 megahertz of spectrum in the 5 GHz band for use by Wi-Fi devices. This would be the largest block of unlicensed spectrum to be made available for expansion of Wi-Fi since 2003. The expectation is that this will help reduce congestion in Wi-Fi hotspots and increase the available spectrum for Gigabit Wi-Fi by 35%. Chairman Genachowski said, "We all know the frustration of Wi-Fi congestion at conferences and airports. Today, the FCC is moving to bring increased speed and capacity to Wi-Fi networks by increasing the amount of unlicensed spectrum for Wi-Fi. As this spectrum comes on line, we expect it to relieve congested Wi-Fi networks at major hubs like convention centers and airports. It will also help in homes as tablets and smartphones proliferate and video use rises." In addition to efforts such as the announcement to improve on existing Wi-Fi networks, the FCC has taken steps in recent years to unleash the potential of next-generation unlicensed spectrum. Next- generation unlicensed spectrum is in lower frequencies than existing Wi-Fi, and enables wireless communications to travel longer distances and better penetrate barriers like walls and provide improved coverage over hilly terrain.
(January 10, 2013) cellular-news.com

Mexico

Mexican telecom regulator moved closer to setting guidelines for the fees telecom operators charge each other, a process that sprang from the desire to curb the power of tycoon Carlos Slim in the phone market. Since 2011, telecom watchdog COFETEL has been trying to set rules to give telecom operators fair access to all networks. Earlier, some companies had complained that Slim's Telefonos de Mexico, the biggest provider of fixed-line services, was overcharging or denying access to its vast infrastructure. The set of rules has been reviewed ever since by COFETEL and COFEMER, an agency that oversees regulation issues in Mexico. COFETEL agreed to send back its last observations on the so-called interconnection rules to COFEMER for a final review. Once COFEMER receives COFETEL's answer, it will have five working days to issue the final document for publication in Mexico's Official Gazette. COFETEL said in a statement the process could be done by early February. The new set of rules will not be obligatory, meaning Telmex and other operators could opt not to adopt them. But sector analysts have said Telmex could gain points with regulators by following the new rules if it wants to revive its long-standing bid to win government approval to offer television services in Mexico. **(January 24, 2013) reuters.com**

Mexico's new government is set to make another attempt to shake up the local telecoms market in an effort to promote increased competition in a market which is dominated by America Movil. America Movil, which is controlled by the world's richest man, Carlos Slim has a market share of around 70% of the mobile phone subscribers, and close to 80% of the fixed lines. Previous attempts to break the near monopoly have failed after hitting political and legal barriers. Citing a person familiar with the matter, Dow Jones Newswire said that following a wide ranging education reform last year, telecoms would be the next target. Finance Minister told local news media that forthcoming proposals would seek to increase competition and lower costs to consumers, and include all areas of telecommunications from "mobile phones to media," He also confirmed that a special court will be set up to fast-track appeals against regulatory changes which have previously been delayed for years due to the slow moving legal system in the country. The reforms are supported in principle by all three major parties, which should help overcome the political difficulties that dogged the previous government's attempts at reform. **(January 20, 2013) Dow Jones Newswire**

Chile

Chilean telecoms watchdog SUBTEL has set new standards for wireless Quality of Service (QoS), increasing the minimum percentage of successful call attempts and completed calls to 97% in urban areas and 90% in rural areas, splitting a previous national total into regional values. The decision follows a study conducted by the regulator in H1 2012 investigating the service standards of the nation's cellcos. The report found that in Q1 Entel had 94.8% successful calls, Claro 93.0% and Movistar 92.5%, which improved to 97.6%, 96.0% and 96.0% in Q2. Newcomers to the market Nextel and VTR had successful call rates of 97.6% and 96.5% respectively. In terms of completed calls Entel had success rates of 93.4% (Q1) and 96.1%, Claro had 91.7% and 94.8% whilst Movistar fell behind with 90.9% and 94.2%. Nextel and VTR customers completed 96.8% and 95.3% of calls. Commenting on the changes, the secretary of state commented: 'The decision to upgrade the standard of quality of service for mobile phones, from a national average to a regional standard, aims to improve the performance of networks in each city and guarantees users good service where they live. This regulatory change will increase the demands for companies that will even out the quality of their networks throughout the country.' **(January 25, 2013) telegeography.com**

Chilean telecoms regulator SUBTEL has completed its Digital Agenda for the 2013-2020 period, creating a roadmap for the long-term development of the nation's ICT and communications sectors. The plans have been submitted for presidential approval and are expected to be made public in March. Amongst the proposals is a suggested institutional reshuffle that would merge the responsibilities of the office of digital development with those of SUBTEL, removing the potential for changing governments to disrupt the plans and policies for the sector. Oliver Flogel, one of the authors of the 2013-2020 agenda noted that the combination would provide 'continuity and most importantly a permanent institutional framework for the digital development of Chile.' **(January 8, 2013) telegeography.com**

Brazil

The telecoms regulator ANATEL reports that the country was home to a total of 261.78 million mobile connections at the end of 2012, up 8.07% (or 19.5 million new lines), from the 242.20 million reported at the end of 2011. Cellular penetration increased to 132.78 mobile lines per 100 of population over the same period, it added. Of the total, 80.53% of lines (210.82 million) were pre-paid, down from 81.8% a year earlier, while GSM continued to be the most popular access platform, accounting for 74.8% of connections, compared to 82.4% in 2011. In terms of mobile market share, ANATEL said that Vivo (owned by Spain's Telefonica) controlled 29.08% of the segment at end-2012, ahead of TIM Brasil (26.87%), America Movil-backed Telecom Americas (Claro) with 24.95%, Oi SA in fourth with 18.81%, CTBC or Agar Telecom (0.18%), regional operator Sercomtel (0.03%) and fledgling MVNO Porto Seguro (with 8,300 accesses). For the first time NII Holdings' Nextel Brasil unit was also ranked, having launched 3G data plans without fanfare at the end of the fourth quarter. Alongside ANATEL's mobile market update, Brazil's Telebrasil association released its estimate of the broadband market, reporting a total of 86 million high speed internet accesses (fixed and mobile) at end-December, up 45% year-on-year – with the strongest growth coming from mobile broadband (up 60% y-o-y). The association said that around 27 million new mobile connections were activated last year, lifting the total to 52.5 million 3G cellular accesses and 13.5 million via data terminals (including modems and M2M connections). Finally, Brazil's incumbent cellcos continued to roll out their 3G coverage last year, collectively reaching 3,285 municipalities, or 88% of the population, at the year's end, up 24% (or 635 new municipalities) compared to end-2011. The deployments helped boost the total cities covered figure beyond the government's own target dramatically; the state had set a goal of 928 cities covered with 3G networks by April 2013. **(January 25, 2013) telegeography.com**

Nicaragua

The Nicaraguan government's ongoing tender for a pair of mobile licenses in the 1785MHz-1805MHz band has been suspended by regulator Instituto Nicaraguense de Telecomunicaciones y Correos (Telcor) with immediate effect. No reason has been given for the decision. In September 2012 Telcor launched a tender for two new mobile licenses in the 1800MHz band, with a view to breaking up the long-standing Claro/Movistar duopoly. Both concessions will allow the introduction of 4G Long Term Evolution (LTE) technology and be geared towards operators which are prepared to concentrate on the deployment of rural-focused services. Beijing-based research and development firm Xinwei Telecom Enterprise Group – one of seven companies to have acquired bidding documents – was considered to be the front-runner for one of the two concessions, after Costa Rica's state-owned power and telecoms company Grupo Instituto Costarricense de Electricidad (GrupoICE), which offers mobile services in its domestic market under the 'ICE Celular' brand, confirmed in November that it was no longer interested in participating in the tender. **(January 2, 2013) telegeography.com**

Costa Rica

Telecom regulator Superintendencia de Telecomunicaciones (SUTEL) expects a management company for the implementation of mobile number portability (MNP) to be selected by early February, with the system to be in place within the following three months. Four companies are competing for the project, Telcordia Technologies, Informatica El Corte Ingles, Teletech and CESA-Porting Consortium. A committee representing the nation's trio of cellcos – ICE Celular, Claro Costa Rica and Movistar Costa Rica – is to make the selection but if no decision is reached, SUTEL will intervene and select a company. Such an eventuality is expected, as incumbent ICE has sought to hold up the project and had filed 20 appeals to halt or delay the introduction of MNP by end-December 2012. **(January 25, 2013) La Nacion**

Dominican Republic

The telecoms regulator of the Dominican Republic, Indotel, has lifted its suspension of the 4G Long Term Evolution (LTE) wireless services offered by cellular operator Orange Dominicana. However, the watchdog did impose conditions on the service, specifically that the service should be offered only through USB modems, and that availability of the service should be restricted to the five geographic areas (Los Cacicazgos, Bella Vista, Piantini, Naco and Mirador) in which Orange launched the service. In addition, Indotel has authorized Orange to use 1720MHz-1730MHz frequencies paired with spectrum in the 1815MHz-1825MHz band. **(January 15, 2013) TeleSemana**

Bolivia

The government will auction off a wide range of spectrum in the early part of this year, with details of the frequencies expected to be offered detailed in a bidding schedule published by local telecoms regulator La Autoridad de Telecomunicaciones y Transportes (ATT). Spectrum in the 700MHz, 1500MHz/1600MHz, 1700MHz/2100MHz and 1900MHz bands will be offered up for sale on a nationwide basis, although the document has not detailed how much spectrum in each block will be made available, nor does it confirm whether the licenses will be technology neutral. In addition to the aforementioned frequencies, the ATT's document also notes that spectrum in the 900MHz, 2.5GHz and 5.2GHz bands will be offered, although only on a more limited geographic basis. **(January 7, 2013) telegeography.com**

Uruguay

The telecoms regulator, Unidad Reguladora de Servicios de Comunicaciones (URSEC), has invited interested parties to participate in the upcoming tender for mobile spectrum in the 900MHz, 1900MHz and 1700MHz/2100MHz frequency bands. Two 900MHz spectrum blocks (904.5MHz-909.5MHz paired with 949.5MHz-954.5MHz and 910MHz-915MHz with 955MHz-960MHz) will be auctioned off alongside six paired lots in the 1900MHz band and nine paired blocks in the 1700MHz-2100MHz band. Each block of spectrum will have a starting price of US$7.5 million, with licenses valid for a period of 20 years. Tender documents will be available at a cost of US$3,600 until February 26, 2012, with the winners expected to be announced the following month.
(January 14, 2013) telegeography.com

European Union

The European Commission (EC) has reportedly launched a formal challenge to Budapest's revamped tax on phone calls and SMS messages, saying it breaches European Union (EU) law. The EU has written to the Hungarian government giving it formal notice of its intention to commence a second infringement proceeding against the country's telecoms tax regime, EC spokesman Ryan Heath said. The ruling on the EC's previous objection to Hungary's special telecoms tax is currently pending a decision from the European Court of Justice, and should Budapest lose that case, it could be required to pay back about HUF180 billion (USD814.9 million) collected in special taxes between 2010 and 2012. Mr. Heath went on to say that the special tax violated an EC requirement which rules that any 'administrative charge be proportionate to the state's costs in running the system'. However, the Hungarian government maintains its position that this ruling does not apply, as the levy it imposed is in the form of a tax – not an administrative charge. The ministry of economy issued a statement saying it will not modify the country's tax law, and argues that the measure is compliant with EU rules. As such, it is ready to defend itself against any infringement proceeding. The Magyar government has been struggling to contain its budget deficit within EU parameters (i.e. 3 % of gross domestic product), and its 2013 budget forecasts collecting up to HUF44 billion through the latest tax – which replaced the controversial telecom special tax in a flurry of measures wheeled out by Budapest in May 2012. **(January 25, 2013) Reuters**

The European Commission has asked the European Court of Justice to impose a fine on Portugal because it has not respected a 2010 Court judgment requiring it to follow EU telecoms rules when deciding who should provide universal service in Portugal. The Commission is suggesting a lump sum of EUR5,277 per day for the period between the 2010 judgment and eventual second Court ruling. Today's decision to refer Portugal back to the Court, with a view to imposing financial penalties, follows a previous Court referral decision from the Commission in March 2012. The Commission said that it has taken into account the progress made by the Portuguese authorities since then, in particular through the publication of invitations to tender, and has therefore proposed a reduced lump sum. Under EU law (the Universal Service Directive), basic services must be available throughout the country, including connection to the telephone network at a reasonable price, public pay telephones and emergency telephone numbers free of charge. The selection of any universal service provider must be based on an efficient, objective, transparent and non-discriminatory procedure. This means that all interested companies should be able to take part in the designation procedure, and no company should be excluded from tendering. **(January 24, 2013) cellular-news.com**

Europe's telecommunications commissioner plans to introduce a series of reforms this year intended to create greater competition and investment and lay the groundwork for the creation of a region-wide telecom market. Neelie Kroes, vice president of the European Commission, said, "We're working on a range of measures to create common and stable conditions across the EU for telecoms competition, investment and growth, which should also make cross-border consolidation more attractive," according to the FT. Ms. Kores said she wouldn't seek the creation of a single telecoms regulator right away, the FT reported. Instead, she said there was a need to strengthen the ties between the commission and individual national regulators to bring about changes the industry needs, the FT reported.
(January 14, 2013) The Financial Times

United Kingdom

UK telecoms regulator OFCOM has confirmed that bidding has begun in what it has termed 'the UK's largest ever mobile spectrum auction', with claims that the spectrum on offer 'will almost double the amount of airwaves currently available for mobile broadband services on smartphones, tablets and laptops'. In making the announcement, the watchdog reiterated that there are seven companies taking part in the sale process: EE, the country's largest cellco by subscribers; HKT (UK) Company Limited, a subsidiary of Hong Kong's PCCW Limited; Hutchison 3G UK; MLL Telecom; Niche Spectrum Ventures, a subsidiary of UK fixed line incumbent BT Group; Telefonica UK; and Vodafone UK. With a view to ensuring competition, OFCOM said it has designed the auction to ensure that at least four different companies emerge from it with enough spectrum to become 'credible national 4G wholesalers'. In total there are 28 lots of spectrum up for grabs in two separate bands – 800MHz and 2.6GHz – with up to 250MHz of additional mobile spectrum available, compared to the 333MHz currently in use in the UK. Bidding will be conducted over several rounds over secure connections using software developed specifically for the auction, with the results of the sale process not expected to be known for 'a number of weeks'. Further, the regulator has confirmed that it will not issue updates on bidding

activity until the end of the auction. Subsequently, once any relevant fees are paid and licenses are actually awarded, it is expected that operators will begin rolling out services using the new frequencies from late spring 2013. Commenting on the development, OFCOM chief executive said: 'Today's 4G auction is a very significant milestone for the UK's communications sector ... It will release the essential raw material for the next wave of mobile digital services. This will change the way we consume digital media in both our personal and working lives and deliver significant benefits to millions of consumers and businesses across the country.'
(January 24, 2013) telegeography.com

UK Regulator OFCOM is reviewing mobile phone contracts in the UK, and they are considering modifying their general conditions to allow customers to leave their monthly contracts before it is up if the operator makes changes to the contract, for example if the mobile phone operator decides to increase their prices in the middle of your contract. OFCOM has decided to review mobile phone contracts after it received a total of 1,644 complaints from mobile phone users for the period of September 2011 and May 2012. OFCOM would also expect providers to be transparent about the potential for price increases so consumers can make an informed choice when entering the contract. It will be interesting to see what happens, and whether OFCOM decides to allow customers to get out of these mobile phone contracts early if the operator decides to make changes to the contract. **(January 4 2013) geeky-gadgets.com**

Netherland

The Netherlands' spectrum frequencies watchdog Agentschap Telecom (AT) has formally extended 41 frequency licenses for the provision of public electronic communication services in the country. The decision was taken on January 2 and relates to the extension of 2G GSM mobile operating licenses in the 900MHz and 1800MHz bands in the country. KPN Mobile The Netherlands, Vodafone Netherlands and T-Mobile Netherlands will each pay almost EUR4 million (US$5.3 million) per 100kHz for the 900MHz licenses, while the 1800MHz concessions will cost EUR930,000 per 100kHz. The four auction winners had until January 9 to pay for the licenses, having submitted deposits before the auction began. The announcement follows the recent successful conclusion of multi-band spectrum frequency licenses for 4G services in the Netherlands, which raised EUR3.8 billion for government coffers, significantly more than the EUR480 million estimate. KPN's mobile arm along with the other two incumbents – Vodafone and T-Mobile – each won 4G spectrum, as did new market entrant Tele2 of Sweden. Domestic cable operators Ziggo and UPC, which both have a strong presence in the broadband market had planned to bid jointly, but pulled out when the bidding price went too high. **(January 11, 2013) Staatscourant**

The Dutch government has announced the confirmed prices for extending 2G GSM mobile operating licenses in the 900MHz and 1800MHz bands in the country. KPN Mobile The Netherlands, Vodafone Netherlands and T-Mobile Netherlands will each pay almost EUR4 million (US$5.3 million) per 100kHz for the 900MHz licenses, while the 1800MHz concessions will cost EUR930,000 per 100kHz. The announcement follows the recent successful conclusion of multi-band spectrum frequency licenses for 4G services in the Netherlands, which raised EUR3.8 billion for government coffers, significantly more than theEUR480 million estimates. KPN's mobile arm along with the other two incumbents – Vodafone and T-Mobile – each won 4G spectrum, as did new market entrant Tele2 of Sweden. Domestic cable operators Ziggo and UPC, which both have a strong presence in the broadband market had planned to bid jointly, but pulled out when the bidding price went too high. The total prices for the operators' 2G/GSM spectrum extensions are based on the results of the multi-band auction, the capacity of the spectrum and the duration of the license extension. For example, 12.4MHz in the 900MHz band for KPN Mobile will cost almost EUR28 million for a six-month extension, the paper suggests. The extensions are needed however, to help the cellcos make a smooth transition in the period when their current permits expire (late-February), and when they are able to fully launch services using the recently auctioned frequencies. The exact details of the transition period are still under discussion, and although the extensions apply in principle to the entire band, operators can relinquish certain frequencies earlier, savings on 2G costs as they transition to 4G Long Term Evolution (LTE) platforms.
(January 4, 2013) telegeography.com

France

French mobile virtual network operator (MVNO) collective Alternative Mobile has received backing from the country's Competition Authority in its bid to allow its members to launch 4G retail services. The Competition Authority has ruled that MVNOs must be able to launch Long Term Evolution (LTE)-based offerings at the same time as the country's mobile network operators (MNOs). The watchdog noted that under the terms of their 4G concessions the MNOs must not harm the commercial freedom of the resellers, by welcoming full MVNOs on to their networks, agreeing to any reasonable access requests, and imposing fair pricing structures. **(January 22, 2013) PrepaidMVNO**

The French government is again considering an option to allow telecoms networks levy a fee to content providers for carrying their website traffic. Technology Minister Fleur Pellerin confirmed the move after also instructing the local ISP, Iliad to stop blocking adverts served by Google's own advertising platform. The ISP started blocking the adverts after rolling out a software upgrade to the routers it supplies to its customers. Blocking the adverts reduces the traffic load for the ISP, but it drew protests from websites that generate their income from those same adverts (as does this website). "What solutions do Internet providers have when faced with content providers who use their networks but don't invest in them?" Pellerin said during a press conference in Paris. "We need to ask serious questions about how Web companies can put some money into networks." Industry Minister Arnaud Montebourg and Pellerin will host a debate with the ISPs and major content providers in a couple of weeks time.
(January 8, 2013) Bloomberg News

Finland

Minister of Housing and Communications has called for legislative amendments that will allow the 700MHz band, which is currently used for TV broadcasts, to be opened up for use by mobile broadband services. Commenting on the plans, the minister noted: 'The change in allocation is in line with the will that Parliament expressed in approving our Communications Policy Program for Electronic Media in December 2012. For the necessary preparations and negotiations, it is important that our legislation is updated proactively.' It is understood that the amendments will be

made with a view to ensuring that the change in allocation of the 700 MHz band can be implemented at the start of 2017. With any change in allocation of the 700 MHz band requiring co-ordination with Finland's neighboring countries, Minister has said she intends to hold discussions on the matter during the spring. Further, in line with a decision made at the World Radiocommunication Conference 2012, a final decision on the uptake of the 700 MHz band for mobile communications will be made at the 2015 conference; until that date any legislative amendments made by Finland regarding the change in allocation will be conditional.
(January 28, 2013) telegeography.com

Austria

T-Mobile Austria confirmed it had filed an appeal against the allocation of radio frequencies that will result from Hutchison Whampoa's takeover of Orange Austria, in a move that could derail the 1.3 billion euro ($1.7 billion) deal. Last month the Deutsche Telekom unit planned the appeal over fears it will be at a disadvantage to rivals who will have a head start of up to a year in building next-generation LTE networks. The ability to build an LTE network, which will offer data speeds up to 10 times those now available, will be a key competitive advantage in Austria's hard-fought telecoms market. The country's four operators are engaged in a price war as they fight over a population of just 8.4 million, with all-inclusive, no-strings offers available for as little as 7 euros per month. T-Mobile said it had lodged an appeal on December 31 with Austria's higher administrative court against the decision of the country's telecom control commission, the TKK, for the transfer of frequencies that will accompany the merger. It said it had asked for the transfer to be put on hold while its legal case is being heard. It said it expected the court to decide within days on whether to grant an injunction in the case, which it thought could last until March or April. A court spokesman said the court had not yet received the appeal. **(January 2, 2013) reuters.com**

Slovenia

According to a senior official from the Slovenian telecoms regulator APEK, the interest shown so far in 4G mobile spectrum in Slovenia indicates that up to four licenses could be issued. The market is home to four mobile network operators, two of which, Si.Mobil and Telekom Slovenije, have already begun LTE deployment in the 1800MHz band. The process for auctioning new 4G frequencies is expected to get underway by the end of this year.
(January 31, 2013) telegeography.com

Bulgaria

The Communications Regulation Commission (CRC) has awarded a mobile operating license to Bulgarian satellite TV operator Bulsatcom. The concession, valued atBGN12 million (US$8.2 million), means that Bulsatcom becomes the fourth wireless operator in Bulgaria, and will compete against M-Tel (which claimed a 44.5% subscriber market share at the end of September 2012, Globul (35.7%) and Vivacom (19.7%) in a market comprising 12.4 million subscribers. Bulsatcom says it will launch GSM services by the end of 2013.
(January 15, 2013) telegeography.com

Hungary

The telecoms regulator the National Media and Telecommunications Authority (NMHH) has published a market update on the country's fixed broadband sector, reporting that Hungary was home to 2.169 million fixed broadband connections at November 30, 2012. According to the findings of the watchdog's latest monthly flash report, which are compiled from data supplied by Magyar Telekom, Invitel, GTS Hungary, UPC Hungary, DIGI, PR-Telecom, Tarr, ViDaNet and Parisat (covering 98% of the landline voice market) – shows that the dominant access platform is cable with 875,761 homes connected (of which 241,178 were DOCSIS 3.0 enabled), followed by xDSL (775,246 lines) and fibre-optic (FTTx) with 316,900 connections. In terms of fixed broadband market share, the NMHH shows that Magyar Telekom (T-Home) was the leading service provider with a 34.7% market share, followed by UPC Hungary with 21.8%, DIGI (13.7%), Invitel (9.7%) and others (20.1%).In the fixed voice segment, the country counted more than 1.931 million switched (PSTN) voice channels at November 30, 2012, 434,219 voice-over-internet protocol (VoIP) accesses and 589,114 VoCATV voice channels. Magyar Telekom's T-Home again led the pack with a 59.1% share of the fixed voice market, followed by Invitel with 13.0%, UPC Hungary with 12.7%, DIGI (8.9%) and others (6.3%).
(January 9, 2013) telegeography.com

Portugal

Portuguese telecoms watchdog Autoridade Nacional de Comunicacoes (ANACOM) has approved the revocation of the right to use fixed wireless access (FWA) frequencies from Sonaecom-owned telco Optimus. Optimus wants to return spectrum in the 24GHz-25GHz band, noting that it prefers to develop other broadband technologies instead. It expects to migrate all customers currently using its FWA-based services to new platforms by the end of this year. The revocation will come into effect on December 31.
(December 19, 2012) telegeography.com

Croatia

The Croatian Postal and Electronic Communications Agency (HAKOM) issued a decision to reduce annual fees for the use of mobile radio spectrum by 20% in 2013. The regulator states that during the past four years spectrum fees have decreased by over 40% while other regulatory fees have been reduced by 22%, despite HAKOM relying solely on fees from operators for funding as it is not a direct recipient of the state budget. (**December 10, 2012) telegeography.com**

Moldova

Moldova's telecom regulator, the National Regulatory Agency for Electronic Communications and Information Technology (ANRCETI), has announced that it is to auction a new wireless broadband license, offering 50MHz of spectrum between 3750MHz and 3800MHz. According to a report the 15-year concession will be auctioned with a starting price of EUR1 (US$1.30). A commercial launch is expected within one year of the license being issued; a winning bidder which already offers wireless services in Moldova must agree to reach 30% population coverage with the new network within 18 months, while a new entrant will be given 36 months to reach the same level of coverage. The 3600MHz-3800MHz band is generally used for WiMAX-based wireless broadband services. Moldova recently saw the award of spectrum for 2600MHz Long Term Evolution (LTE) 4G wireless services, with cellular operators Orange and Moldcell both going on to launch their first LTE networks towards the end of last month. **(December 7, 2012) telegeography.com**

Nigeria

The Nigerian Communications Commission (NCC) has set a new price cap of NGN4 (US$0.025) for domestic off-net text messages, to be introduced from February 5, 2013. The new rate is a 60% reduction from the previous cap of up to NGN10 per off-net SMS. Commenting on the move the NCC's director of Legal and Regulatory Services, said that having evaluated and analyzed SMS traffic information provided by the operators, the regulator noted that 'there was a general recognition that the cost of SMS is too high, especially in view of the interconnection rate of NGN1.02 for SMS as determined by the Commission in 2009.' She added that at present, the NCC has no plans to place a price cap on international SMS, but said the regulator would encourage operators to work towards lowering the cost of international messages. **(January 25, 2013) The Guardian**

Uganda

The telecoms watchdog the Uganda Communication Commission (UCC) will hold talks with the nation's cellcos regarding the SIM registration campaign. The campaign due to end at the end of February, millions of subscribers are still to register their SIMs, risking deactivation. The project, which aims to reduce the use of phones for criminal activities, has encountered a number of difficulties since its launch in March 2012 such as low public concern and a shortage of official identification documentation. Despite the delays, the UCC is reluctant to extend the deadline. Spokespeople for Uganda's seven wireless operators have called for an extension to the deadline, with Warid reporting that some 35% of its customers had not yet registered.
(January 25, 2013) The Daily Monitor

Tanzania

The Tanzania Communications Regulatory Authority (TCRA) has postponed a series of public discussions it intends to hold on cost-based interconnection rates for telecoms network operators in the country, to give those involved more time to consider the implications of such a move. TCRA Director Prof. John Nkoma announced the postponement, noting that the talks will now begin in February 2013, not this month as originally intended. Earlier, the TCRA announced its intention to carry out a study into the cost-based interconnection rates levied by domestic telecoms network operators and asked them to submit their view by the middle of January 2013. However, Prof. Nkoma now concedes that more time is needed to allow some of them – Airtel Tanzania, Benson Informatics Limited (BOL), Dovetel, MIC Tanzania and Six Telecoms Company – to comply with this request. The other two companies concerned are Tanzania Telecommunications Company Limited (TTCL) and Zanzibar Telecom Limited (Zantel). **(January 9, 2013) The Daily News**

According to data from the Rwanda Utilities Regulatory Agency (RURA), the country's wireless subscriber base at the end of 2012 was just under 5.7 million, up from 4.7 million just six months previously. MTN remains the market leader with a market share of 60.3%, followed by Millicom-owned Tigo with 32.8%. New entrant Airtel, which launched in June 2012 and is backed by India's Bharti Airtel, grew its subscriber base from 144,044 in July to 391,072 by the end of the year. MTN and Tigo's networks each reach more than 98% of the population, whereas Airtel's population coverage currently stands at 15%.**(January 29, 2013) telegeography.com**

Zambia

More than five companies are considering bidding for Zambia's fourth mobile network operator license. Among them is Vodacom of South Africa.' The identities of the other would-be bidders were not disclosed. However, before it can issue a new concession the Zambian government still needs to carry out a number of legal actions with a view to revoking existing regulations that block the introduction of a fourth mobile operator. Nonetheless, the minister has said that, once such matters have been resolved, the country could see the award of the license and launch of a new cellco before the end of 2013. Vodacom has coveted Zambia's elusive fourth mobile license since its first flirtation with the country's wireless market in 2002, when it was issued a mobile concession by then-regulator the Communications Authority of Zambia (CAZ). The license was later withdrawn though, amid claims there was not sufficient spectrum in the country. In November 2009, following the successful resolution of the spectrum shortage, the still-vacant spectrum was offered to Vodacom once again. This time the company confirmed that it would not proceed with negotiations, preferring to focus on its existing operations, rather than making new investments. Since then Vodacom has made its presence felt in Zambia by acquiring a controlling stake in WiMAX provider AfriConnect, opening the door for future developments in the wireless sector.
(January 11, 2013) ITWeb Africa

Mali

The government of Mali has granted a mobile operator license to a consortium, the Planor-Monaco Telecom International Group - making it the third mobile network operator in the country. Monaco Telecom is the technical partner in the consortium, which operates through the Malian company, Alpha Telecom Mali, which is understood to be controlled by the local businessman, Apollinaire Compaoré, who owns Télécel Faso in Burkina Faso, and is a shareholder in MTN Côte d'Ivoire. The consortium paid US$105 million for the 15-year license, which had been expected to be awarded late last year. The country is currently in the news for other reasons, due to the Islamist civil war in the north of the country and the recent intervention of the French military in that conflict. The two existing operators are France Telecom-Orange and Maroc Telecom's Malitel.
(January 24, 2013) African Manager

Russia

Telecoms regulator Roskomnadzor is set to take action against Chechnyan mobile operator Vainakh Telecom after the cellco launched commercial LTE services in Grozny, the capital city of the Chechen Republic, earlier this week. Russian website Izvestia.ru reports that the watchdog's objections are based on the fact that the equipment used for the 4G deployment has not been certified in Russia – a key clause attached to the company's frequency concessions. Vainakh was founded in 2003 to promote telecommunications services in the war-torn Republic, before going on to launch in May 2009. In March 2010, in a spectrum auction held by the Ministry of Communications (MinSvyaz), Vainakh purchased 30MHz of 2.3GHz-2.4GHz frequencies covering Chechnya. Under the conditions of the license, the operator was given 18 months (later extended) to build and launch a 4G network using Russian-made equipment, or risk surrendering its concessions. In October 2011 Vainakh confirmed that it had received belated regulatory permission to launch a trial LTE network in the region, but little has been publicized about the company's subsequent activities. **(January 23, 2013) izvestia.ru**

Russia's Federal Arbitration Court in the Moscow District has set a date of February 14 to hear a lawsuit filed by Summa Telecom relating to the use of Long Term Evolution (LTE)-suitable frequencies in the 2.5GHz-2.7GHz band. Previously, in July 2012 it was reported that a 70MHz block of the original frequency allocation – which is now held by WiMAX-turned-LTE operator Scartel (Yota) – could belatedly revert to Summa, although the reasoning behind the legal decision was never disclosed. However, in September the Ninth Arbitration Court of Appeals cancelled the lower court's earlier decision. Summa Telecom, part of tycoon Ziyavudin Magomedov's Summa Group, was granted the frequencies in 2006, but its stuttering plans were rendered moot in October 2010 when the State Radio Frequency Commission (SRFC) announced it was to repeat its 2006 tenders for the frequencies. The licenses, which chiefly applied to Siberia and the Far-East region, were ostensibly cancelled when the operator complained about the lengthy delay in receiving its spectrum. **(January 10, 2013) The Prime-Tass business**

Ukraine

Ukraine's National Commission for the State Regulation of Communications and Informatization (NCCIR) has extended until January 29, 2013 the deadline for receiving public comments on the implementation of number portability (NP). The regulator plans to process all submissions by February 15 ahead of a meeting with market participants to review the finalized project. By March 1 the NCCIR intends to approve the final draft of its decision enabling NP, and pass it to the relevant authorities for approval.
(January 16, 2013) ProIT

Australia

Having already been delayed once, regulatory approval for Australian fixed line incumbent Telstra's acquisition of South Australian broadband provider Adam Internet looks set to take a little longer, according to The Australian. With the Australian Competition and Consumer Commission (ACCC) having been expected to issue a ruling on the proposed AUD60 million (US$62.4 million) takeover on February 7, it is understood that Telstra itself called for the regulatory review to be suspended. A Telstra spokesman was cited as saying: 'We will continue to engage with the ACCC and we're confident we can work through any concerns in a timely manner. Telstra and the ACCC need more time to consider the issues raised by the statement of issues.' In December 2012 the ACCC pushed back the timeframe for its decision on the deal. With Telstra's rivals having called for the watchdog to reject the proposed purchase on the grounds it would reduce competition in the budget broadband market, the regulator released a 'Statement of Issues' on the proposed transaction, setting out its initial opinion on the deal, while also seeking further information regarding the matter of competition. 'The ACCC's preliminary view is that the proposed acquisition is likely to result in a substantial lessening of competition in the supply of retail fixed voice and broadband services,' ACCC chairman Rod Sims noted at the time. **(January 29, 2013) telegeography.com**

The Australian Communications and Media Authority (ACMA) has announced that it is now accepting submissions from those parties interested in taking part in the country's upcoming digital dividend auction. With the spectrum sale set to begin on April 16, 2013, prospective bidders have until January 24, 2013 to submit an application, as well as the AU$25,000 (US$26,245) registration fee. Following this, the regulator notes, it expects to circulate a list of auction applicants to other applicants between January 25 and January 27, during which period any affiliations between bidders must be declared. As part of the auction process, the ACMA has detailed the frequencies which are to be made available, confirming that spectrum in both the 700MHz band (703MHz-748MHz and 758MHz-803MHz) and 2.5GHz band (2500MHz-2570MHz and 2620MHz-2690MHz) will be offered. In the 700MHz band, the regulator notes that there is 'one product containing nine generic lots', with each lot comprising a paired 2×5MHz block of spectrum, of which 5MHz will be in the upper part of the band, and the other in the lower part. Each of the nine available spectrum allocations will allow for nationwide coverage, bar the Mid-west Radio Quiet Zone (RQZ). In the 2.5GHz band, however, the ACMA notes that it will offer 'eleven products, each containing 14 generic lots', with each lot offering 2×5MHz, again with 5MHz in each of the upper and lower parts of the band. Unlike the nationwide 700MHz band concessions, the 2.5GHz licenses will be available on a region-by-region basis, with the eleven locations listed as: the eight metropolitan areas of the Australian Capital Territory (ACT), Adelaide, Brisbane, Darwin, Hobart, Melbourne, Perth, Sydney; the two regional areas of Regional East Australia and Regional Western Australia; and Remote Australia, which covers the remainder of the country, but excludes the Mid-west RQZ. With regards to pricing, the ACMA has also confirmed that it has been directed by country's telecoms minister to set the reserve prices for the 700MHz band at AU$1.36 per MHz per head of population calculation (AUD/MHz/pop). By comparison, for the 2.5GHz spectrum licenses, a reserve price of AUD0.03/MHz/pop has been set. In terms of other notable dates in the sale process, between late February 2013 and early April the ACMA expects to conduct mock auctions and provide bidder tutorials to ensure that prospective bidders are familiar with using the online auction system. Commenting on the development, ACMA chairman Chris Chapman said: 'This spectrum will further transform the way Australians communicate and do business ... Australia is on the cusp of realizing the very significant social and economic benefit from this valuable public asset.'
(January 4, 2013) telegeography.com

China

China could permit the introduction of MVNOs in the near future if plans for a 2-year trial are approved by the regulator. The Ministry of Industry and Information Technology is proposing the two-year trial to test out if the market would react to a number of brands entering the market, instead of it being dominated by three companies. Any bidders for MVNO licenses will need to have prior telecom work experience which limits the potential for consumer brands to enter the market. Any bidders must also have a team more than 50 people. The regulator is collecting feedback on the proposals until early next month.
(January 9, 2013) cellular-news.com

Chinese telecoms regulator the Ministry of Industry and Information Technology (MIIT) has proposed a two-year trial allowing private companies to offer virtual wireless services. The MIIT is seeking public feedback on the suggested introduction of mobile virtual network operators (MVNOs) until February 6. China's wireless market is home to just three operators – China Mobile, China Unicom and China Telecom – all of which are majority controlled by the state.

Proposals to open the segment to private investment have been bandied around for several years, though no solid action has yet been taken. **(January 9, 2013) Bloomberg**

Thailand

Thailand's National Broadcasting & Telecommunications Commission (NBTC) has set a preliminary deadline of April 20 for the country's cellcos – AIS, DTAC, True, TOT and CAT – to upgrade the capacity of their mobile number portability (MNP) facilities. The upgrade should enable all five operators to handle 'unlimited' volumes of user requests for MNP, compared to a current limit of 4,000 number porting requests per day, while the time taken to fulfill each port should be speeded up from the current three days to a single-day process. The need for MNP is expected to increase exponentially following the recent issuing of full 3G network operating licenses to private sector operators AIS, DTAC and True, which are looking to migrate all users from networks operated under build-transfer-operate (BTO) concessions with state-owned TOT and CAT, a requirement hastened by the approaching expiry of the licensed frequencies associated with the BTO agreements. **(January 14, 2013) The Nation**

The National Broadcasting & Telecommunications Commission (NBTC) has issued 302 non-frequency broadcast licenses to satellite and cable TV operators, bringing the total permits awarded to 318, following its approval of 16 licenses in November 2012. The NBTC set a deadline of December 16, 2012 for existing satellite and cable TV operators to apply for new licenses, and received 980 applications, including 609 for non-frequency broadcast channels, 24 for national network provision, 43 regional network provision and 304 local network services. Chairman of the NBTC's broadcasting committee, said the 302 licenses approved in the second round were for 271 cable operators (local, regional and national) and 31 satellite TV operators. Previously, in the first round only GMM Grammy and Cable Thai Holding (CTH) were awarded non-frequency broadcast permits. The NBTC is conducting a public hearing to gather opinions for the draft regulation for digital TV license criteria. Also this week, the country's pay-TV sector leader TrueVisions announced a price cut of 40% for its cheapest package, aimed at boosting the subscriber base of the 'True Knowledge' package by 30% to 100,000 by the end of this year. Having recently lost the English Premier League football broadcasting rights for 2013-16 to CTH, TrueVisions admitted that it needs new innovative strategies to retain customers.
(January 9, 2013) The Bangkok Post

Philippine

The National Telecommunications Commission (NTC) will seek an independent valuation of the 3G frequency license formerly held by PLDT subsidiary Connectivity Unlimited Resources Enterprise (CURE), and surrendered to the government as a condition of its takeover of domestic telco Digitel. NTC commissioner Gamaliel Cordoba is on record as saying that the determination of the Cost Recovery Amount (CRA) for the frequencies in question is the only item delaying the re-allocation of CURE's 3G license. The official says that the NTC has completed the terms of reference (TOR) for the auction and is now seeking input from at least three independent auditors to determine the value of the concession. Earlier, PLDT had put a potential spanner in the works when it said it was looking to recoup a minimum PHP2.125 billion (US$52.4 million) from the sale of CURE's 3G frequencies. **(January 28, 2013) telegeography.com**

The National Telecommunications Commission (NTC) has given Bayan Telecommunications Inc (Bayan) additional time to gain the approval of the rehabilitation court for its proposed frequency-sharing plan with Globe Telecom. The details of the extension request were contained within a letter dated December 21, 2012 from the NTC to Bayan's legal counsel, Ariel Tubayan, and concerns the latter's request 'for extension of at least 60 days or until March 7, 2013 within which to comply with the condition imposed by the National Telecommunications Commission in the provisional approval of the joint use by Bayan Telecommunications Inc. and Globe Telecom Inc. of the frequencies 1750-1760MHz/1845-1855MHz assigned to Bayan.' It is understood that Bayan had previously received the watchdog's provisional approval (dated September 2012), on November 7, and subsequently wrote to the NTC on December 14 to request an extension until March 2013. Earlier this month, Globe Telecom completed its takeover of Lopez-controlled ailing rival Bayan after buying out the cash-strapped firm's debt holders. The move is expected to pave the way for Globe Telecom to make a formal equity investment in Bayan. In a stock market disclosure on December 26, Globe confirmed that 98.26% of the aggregate 'remaining principal amount' of Bayan's debts – along with 100% of Bayan subsidiary Radio Communications of the Philippines Inc (RCPI) – had been tendered and not withdrawn in the tender offer for the loans on December 21, 2012. The filing read: 'The overall 'Acceptance Level', as such term is defined in the offer documents, is approximately 96.17%. All such tenders have been validated and accepted for purchase by Globe'. Once the debt offer is signed off on, it intends to amend the terms of Bayan's rehabilitation plan and begin work on drafting a long-term and sustainable path for the Lopez-led company. Bayan has been in rehabilitation since 2003 and is expected to remain so until 2023. **(January 14, 2013) telegeography.com**

Telecom regulator target to issue the terms for the auction of a mobile frequency set to be divested by Philippine Long Distance Telephone by next week. "We are just clarifying some items, we will finish within this week," NTC Commissioner Gamaliel A. Cordoba said in an interview. He identified the floor price and the capital requirement as the remaining issues still to be resolved. "We are still finding out what is the floor price. There is also the capital requirement," he said. "I think we will meet the January target for the bidding." Up for sale are the frequency, assets, permits and equipment of Connectivity Unlimited Resource, Inc. (CURE), the owner of a 10-MHz, third-generation (3G) mobile frequency that is set to be divested by PLDT. Smart Communications, Inc., the wireless arm of CURE parent PLDT, told NTC in July that the recovery cost of CURE "could not less than P2.125 billion." The floor price for the auction will be based on the amount of PLDT's investment in CURE, Dennis R. Babaran, NTC's Legal Department head, had said in September last year. In a separate interview on Monday, Mr. Babaran, who was tasked by the commission to verify the recovery cost, said his office was still checking CURE's financial records. "We are still determining the true value of CURE. After that, we might be able to come up with the TOR.
(January 10, 2013) bworldonline.com

The National Telecommunications Commission (NTC) of the Philippines will this week release the final terms of reference (TOR) for the auctioning off of the third-generation (3G) mobile license that was relinquished by Philippine Long Distance Telephone Company (PLDT) last year. The concession relates to PLDT subsidiary Connectivity Unlimited

Resource Enterprises (CURE), a wholly-owned subsidiary of Smart Communications, which was handed back as a condition of the parent group's takeover of fellow operator Digital Telecommunications Philippines Inc (Digitel) in 2011, operator of the Sun Cellular brand. NTC commissioner says that the publication of the TOR for the 3G license will 'pave the way for the long-awaited bidding for the coveted frequency, which would allow phone companies to offer high speed internet services across the country'. However, this is not the first time that the NTC has announced the imminent launch of the auction. **(January 7, 2013) Daily Inquirer**

Viet Nam

Vietnam's Ministry of Information and Communications (MIC) has fined the country's three largest mobile operators a total of VND118.5 million (US$5,700) for violating regulations on the registration of pre-paid mobile phone subscribers. Following an investigation carried out by the MIC and the Ministry of Public Security in Ho Chi Minh City, it was found that military-owned Viettel, and MobiFone and Vinaphone, both subsidiaries of state-owned national PTO Vietnam Posts and Telecommunications (VNPT), did not follow SIM registration rules which require new customers to provide personal information when signing up for services. Additionally, a number of dealers authorized by the three companies did not meet the MIC's basic requirements, which include having a price list displayed in plain view and photocopy and scanner machines to process paperwork. Many personnel were also unskilled and lacked professional training, the MIC said. Viettel will pay the largest penalty (VND70 million), while Vinaphone has been fined VND25 million and MobiFone VND23.5 million. The MIC's pre-paid registration rules are aimed at curtailing the temporary use of SIM cards to take advantage of promotions offered by wireless operators. In a separate development, the report adds that the MIC is drafting a regulation that would impose a VND20million-VND30 million fine on companies sending advertisement text messages or emails without prior permission from the recipient. Meanwhile, sending messages with identical content within 24 hours would incur a VND10 million-VND20 million fine, and companies sending messages without allowing recipients to decline further correspondence from the sender would lead to a penalty of VND5 million. **(January 25, 2013) VietNamNet Bridge**

Taiwan

The National Communications Commission (NCC) plans to offer a total of 270MHz of spectrum for auction in December 2013. Frequencies in the 700MHz, 900MHz and 1800MHz bands are expected to be put up for grabs, although the regulator will not confirm the method of license issuance, nor the auction format, until it had concluded a second public hearing on the matter next month. Nonetheless, the NCC has revealed that new upper and lower limits on bandwidth allocation are dependent on the number of bidders that take part in the sale process. The watchdog has said that if more than five bidders participate in the auction then the upper limit will be seven units (two blocks of 35MHz) per company, with that rising to eight and nine 10MHz units if there are only four or three bidders, respectively. Further, the NCC has also set down limitations on the transfer of concessions to third parties; such a move is understood to have been made with a view to preventing speculative bidding. Meanwhile, those companies wishing to take part in the auction, it has been confirmed, must have paid-in capital of at least TWD6 billion (US$206 million), while they will also be required to a TWD1 billion deposit. **(January 25, 2013) Taiwan Today**

Singapore

The Singapore mobile regulator has announced that more airwaves for 4G services will be auctioned off in mid-2013 at the reserve price of US$360 million. A total of 27 blocks of airwaves will be up for sale with 15 of them being auctioned at a reserve price of $16 million each, and the rest at US$10 million each. This works out to the $360 million reserve price for all the airwaves to be put under the hammer. Mr. Leong Keng Thai, the Infocomm Development Authority (IDA) deputy chief executive and director-general of telecoms and post, said the auction - Singapore's first for 4G services - "will pave the way for a nationwide deployment of 4G". Consumers will also be able to enjoy higher speeds in accessing mobile services across Singapore, Mr. Leong added. The island wide rollout of 4G services is likely to be completed by June 2016. **(January 17, 2013) straitstimes.com**

Myanmar

At least three interested parties have submitted expressions of interest to the Myanmar government for telecoms operating concessions. SingTel and ST Telemedia, both of Singapore, and Malaysia's Axiata are named as the three companies. Earlier this month the government of Myanmar revealed plans to offer two licenses as it seeks to boost telecoms penetration to 80% by 2016. 'SingTel maintains an interest in investment opportunities in large, underpenetrated markets and will be financially disciplined in its evaluation of such opportunities,' stated Singapore's biggest telecoms company by revenues in an e-mailed statement, adding that it submitted its interest with Myanmar-based partners. Meanwhile, a spokesperson from Axiata said in an email statement to Bloomberg News: 'It is a logical and interesting market to consider investing in. It represents a strategic market given its high growth potential.' The concessions are expected to be awarded by June and may last as long as 20 years with an option for renewal. Meanwhile, in separate but related news, Japanese operator KDDI says it is in talks with trading company Sumitomo to establish a joint venture to provide mobile services in Myanmar. KDDI is reportedly planning to bid in Myanmar's upcoming license tender. **(January 28, 2013) bloomberg.com**

The government of Myanmar has announced that it will award two telecoms operating concessions by the end of the first half of 2013, thereby ending the near-monopoly of state-owned Myanmar Post and Telecommunication (MPT). The licenses, which are to be awarded via beauty contest rather than an auction, are expected to be for valid for between 10-20 years, and the government hopes to increase overall teledensity in the country between 75% and 80% of the population by 2015-2016. Interested parties are required to submit an Expression of Interest by 25 January. **(January 16, 2013) telegeography.com**

Maldives

According to the latest figures from the Communications Authority of Maldives, the island nation ended December 2012 with a total of 560,547 mobile subscribers, the majority of which (87.3%, or 489,084) were pre-paid customers. The regulator said that fixed broadband subscribers reached 18,059 at the end of 2012, while mobile broadband customers totaled 69,641. The number of fixed telephony

lines (including payphones) stood at 24,153.
(January 31, 2013) telegeography.com

India

GSM industry body the Cellular Operators Association of India (COAI) has sought a 50% reduction in reserve prices for 1800MHz spectrum in Delhi, Mumbai, Rajasthan and Karnataka, in line with the government's decision to cut the price of CDMA spectrum. The COAI has also called for price reductions in all circles which have unsold spectrum, rather than limiting price cuts to the four areas that failed to attract bidders in November. In related news Norway's Telenor, which currently operates under the Uninor brand but will relaunch later this year as Telewings, will not bid for spectrum in Mumbai under the current guidelines. The carrier said in a statement that the prices were still too high and expects 'that this second round [of auctions] will be no different from the first.' Telenor also voiced doubts regarding the seemingly preferential treatment shown to CDMA providers: 'We are also concerned by the differential treatment between 800MHz CDMA spectrum and 1800MHz GSM spectrum. Considering that an unrealistic reserve price caused auctions to fail both of these bands in these circles, it is difficult to understand why the right decision of 50% reduction is being taken only for CDMA operators.' Vodafone meanwhile has weighed in, challenging the guidelines for the upcoming spectrum auction illegal and discriminatory. Under the rules, Vodafone, along with other incumbents such as Bharti Airtel and Idea Cellular will be obliged to participate in the auction to renew their operating licenses in the four metro circles, as their existing 900MHz spectrum holdings will be amongst those put up for sale. Vodafone argues that its existing agreement with the government grants it the right to extend its license under mutually agreed terms. The telco added that the plans created uncertainty for operators that had invested heavily in building network infrastructure. Further, the prices were 'arbitrarily' fixed, in comparison to international benchmarks and the higher price tag for 900MHz spectrum – which will cost almost three times more than 800MHz – favored one set of operators, Vodafone claims.
(January 31, 2013) The Economic Times

Mobile phone users are likely to get free roaming facility across India from March 1. Sources in the Department of Telecom (DoT) said in line with the National Telecom Policy (NTP) 2012, preparations were underway to waive roaming charges for mobile subscribers. Once the roaming charges are waived, mobile users will be able to get incoming calls free of charge and outgoing calls at local rates while travelling anywhere in the country. The notification for the same could be issued soon, said reports. In view of the forthcoming announcement, Aircel became the first telecom operator to announce seamless roaming on its network. The NTP was approved by the Union Cabinet in May 2012. Under the policy, the government had said that roaming within the country would be made free with the introduction of concept of "one nation, one rate." In most countries abroad, roaming within the country is free as a single license is issued to telecom companies. But India is divided into 22 telecom sectors and a company is required to take a separate license for each circle. Roaming charges are imposed when a subscriber goes out from his home circle to another circle. The exercise adds to the revenues of the telcos. Companies earn around 10 per cent of their revenue from the roaming charges. Telecom companies feel that free roaming and no STD factor will hit their margins badly. As a result, they have threatened to stop offering roaming services if the government forces through the policy. Mobile companies have told telecom regulator TRAI that such a policy would wipe out 10 per cent of their annual revenues, and this would be hard to sustain. "If the incoming national roaming charges are made zero, then either we will be forced to stop giving roaming services to our GSM subscribers or we would take a heavy financial hit," Tata Teleservices had said in a written communication to TRAI. Companies are also suggesting that it can compromise the security as people can purchase SIMs easily and use them without extra cost anywhere in the country. TRAI has floated a consultation paper to seek the comments of operators. Currently, operators are free to fix mobile tariffs, including roaming charges, without any regulatory intervention. Operators charge Re 1 per minute for incoming calls and Rs 1.50 per minute for outgoing calls while roaming. An SMS is also priced at Rs 1.50 per message. All operators, barring Reliance Communications, have opposed the proposed move to make roaming free. **(January 31, 2013) tribuneindia.com**

Norway's Telenor says that it may hold out for a further reduction in the reserve prices for India's forthcoming radio spectrum auction before deciding if it will participate. The company set up a new mobile network joint venture last year to replace its Uninor investment and secured licenses in six circles but lost out on three others. The government is planning a new auction in March and has already lowered the reserve fee by nearly a third following complaints that it was too high. "The Government has been giving right signals to industry leaders. We are hopeful that the pricing issues would be resolved and we will wait for March. But as the indications stand, the reserve price is likely to be brought down," Telenor's President and CEO Jon Fredrik Baksaas told the Press Trust of India. The company needs at least to secure a license in Mumbai where it is still operating the Uninor network and would have to otherwise close down the service. **(January 25, 2013) Press Trust of India**

Although the Indian government has approved a halving of the reserve fee in its forthcoming CDMA spectrum auction, it is also pressing ahead with a one-off surplus spectrum fee for the existing operators. The two networks, Reliance Communications and Tata Teleservices will have to jointly pay around Rs 2,900 crore (US$533 million) to the government for spectrum held in excess of 2.5 MHz. RCom is reported to be facing a bill of around Rs 1,752 crore and Tata Teleservices is facing a bill of Rs 1,155 crore. The two state owned networks, BSNL and MTNL also hold excess spectrum in some circles, but their costs have not been announced yet. **(January 18, 2013) cellular-news.com**

The Telecom Regulatory Authority of India (TRAI) has extended the date of receiving written comments on placement and carriage fees and the need of minimum channel carrying capacity of Multi System Operators (MSOs) to January 18, 2013. On December 20, 2012, TRAI had issued a consultation paper pursuing comments from all stakeholders by January 11, 2013. But now, on the request of stakeholders the date has been extended. This consultation process has been initiated in a view of the Telecom Disputes Settlement and Appellate Tribunal (TDSAT) judgment on October 19, 2012 relating to the interconnection and tariff order for Digital Addressable System (DAS). The paper covers the issues of minimum channel carrying capacity of MSOs, regulation of placement fee, modification of the twin conditions to prevent perverse price at retail and minimum prescription period of channels and manner of offering channel bouquet. **(January 16, 2013) indiantelevision.com**

India's government expects to raise around Rs 24,000 crore (US$4.4 billion) by imposing a one-off radio spectrum fee on the mobile networks that hold spectrum assets above a limit set also by the government. Bharti Airtel, Vodafone, Idea Cellular, Aircel, Reliance Communications and the two state owned networks, BSNL and MTNL will have to make payments. The mobile networks were initially granted 4.4 MHz of spectrum with an increase of 1.8 MHz of radio spectrum when they met license conditions. Last November, the government decided to add a retrospective fee for any spectrum above that initial 6.2 MHz allocation covering the period from July 2008 to January 1, 2013. The price being levied was based on the valuation of the 1800 MHz spectrum auction held last year, with estimates being used in the areas were spectrum wasn't sold at all, such as Delhi and Mumbai. Mobile network unwilling to pay the one-time fee have been given the option to surrender their additional spectrum back to the government. It is theoretically possible that with the low prices generated at the last auction, and presumption that prices won't rise in the near future, then networks with surplus spectrum may prefer to surrender it, in the hope of buying it back at a lower price.
(January 9, 2013) cellular-news.com

Javaid Akhtar Malik
Director Regulatory Affairs
SAMENA Telecommunications Council

ICT Policy Assessment & Digitization Prospects in the South Asia – Middle East – North Africa Region

The adoption of digital services has caught up well with our day-to-day routines. Driven by a mix of consumer demands and the emergence of new and innovative information and communications technologies (ICT), the communications world and associated emerging technology areas have utterly transformed. This is a clear reflection of the "mobile" transformation that has changed everyday life in an unprecedented way. Such mobile transformation is also evidenced by the fact that mobile phones are now being used for advanced hand-held, digitized financial, education, and health services. The adoption of such services can be conclusively defined as the digitization process.

Many of the services and technologies that are part of the digitization process are not new, though they have increasingly taken on futuristic forms, primarily due to the advancements that telecommunications has witnessed over the recent past. In the new age, for instance, mobile technology's integration within the health sector has shown great potential to promote healthy lifestyles and improve decision-making among patients and healthcare professionals alike. Similarly, mobile banking (m-Banking) is now facilitating en-users in their day-to-day business. In the SAMENA region, particularly in Africa and the Middle East, where general figures suggest that less than ten percent of the population has access to a bank account but more than sixty percent have a mobile phone, utilization prospects for digital mobile services are much greater. Thus, this signifies an excellent opportunity for telecom operators in the region to promote mobile payment services, easy fund transfers, bill payments, and mobile service re-charging services.

The trend toward digitization, driven by rising ubiquity of broadband, cloud based services, social media, smart phones, and innovative applications, to name a few, will continue upstream for as long as we can imagine.

From its recently-concluded region-wide ICT policy assessment and digitization study, commissioned to Booz & Co., the SAMENA Council has observed that that the digitization will drive great investment initiatives throughout the region's digital value-chain. However, if existing ICT policies are refined or new ones created with modern digital needs in perspective, resulting accelerated digitization will make substantial socio-economic contributions, apart from improving the SAMENA region's rank to third globally, and bringing the SAMENA Council's new concept of "SMART SAMENA" closer to realization. Socio-economic benefits prospectively achievable as a result of focusing immediately on digitization and suitable policy-making to aid it include a US$1.3 trillion impact on the SAMENA region's GDP as well as a measurable increase in the region's employment rate over a defined period of time.

The SAMENA Council's study's findings also show that countries in the SAMENA region indeed are aware of digitization's importance and of the role of the Information and Communication Technology (ICT) sector as an economic enabler. However, an assessment of the extent of digitization across key economic sectors in the SAMENA region also reveals that most digitization applications in the region are limited in both scale and scope. Observably, the most active form of digitization has manifested itself in mobile banking, and comparatively enjoys a higher adoption rate.

"Most digitization applications in the region are limited in both scale and scope."

According to the finding of the SAENA Council's policy and digitization study, "if SAMENA countries were to continue their historic growth trends, digitization would have a GDP impact of only US$620 billion and 8.4 million jobs. Accordingly, the incremental benefit of accelerating digitization growth is US$640 billion in GDP impact and 5 million new jobs." Apart from this, digitization has a direct impact on the society's ability to transform itself and the governments' capacity to realize transparency in governance and achieve economic efficiency. "Realizing the benefits of digitization in the SAMENA region would require a total investment of US$235 billion by 2020. The benefits of this investment are shared by players within the ICT sector, across all economic sectors and the government", the findings show.

"Realizing the benefits of digitization in the SAMENA region would require a total investment of US$235 billion by 2020."

In light of the findings of the SAMENA Council's study and the efforts required to change the status quo, the SAMENA Council believes that the region's collective vision should be shaped by new aspirations. The pace of adoption of digital tools and services need to be accelerated, and this can only be brought forth if all stakeholders engage in concerted efforts.

Effective ICT policies are the pillars on which digitization will rest. An effective digital policy needs to address, among other things, inefficiencies and the willingness to introduce measures to help realize sustainability in the business. Additionally, a good digital policy should also drive policy-change across other key sectors of the economy, create investor confidence, and generate institutional frameworks for engaging stakeholders and measuring the performance of the initiatives launched.

The SAMENA Council believes that digitization is an essential enabling force for driving sustainability across industries, including the communications industry itself. In its advocacy efforts, the SAMENA Council has begun to emphasize upon the need to put into effect national policies that will help the SAMENA region become a SMART region by the day, and drive toward the creation of digital economies across borders.

Izhar Ahmad, SAMENA Council and Booz & Co. contributed to this article.

Bocar A. BA
Chief Executive Officer
SAMENA Telecommunications Council

CMO Day 2013

28th January, 2013
The One & Only Royal Mirage, Dubai, UAE

The Case for Advanced Marketing in Future Telecommunications

In light of experts views communicated during the SAMENA Council's Chief Marketing Officers (CMO) Day January 28, 2013

Doing business in the telecommunications sector has now become a function of multiple variables, especially since mobile growth and consequential changes have dramatically changed the rules altogether.

Today, every single aspect of the business find itself correlated with customer satisfaction, which is one of the major focal points of industry-wide discussions. Satisfying and retaining customers are a challenge that all telecom operators are dealing with. Thus, in order to sustain business in today's environs, telecom operators have to find new ways of reaching out to their customers. In this context, much work is being initiated to understand what customers want and how customer data can be used and reused to create additional value, and, ultimately, financial value for the service provider itself.

In the Chief Marketing Officers (CMO) Day, organized by the SAMENA Council at the conclusion of January 2013, subject matter concerning customer satisfaction and advanced marketing techniques was delved into. The CMO Day was part of the SAMENA Council's agenda-setting and industry-support program, which focuses not only on engaging industry stakeholders on revenue-generation matters—which can be enhanced through advanced marketing strategies, for example—but also on catalyzing socio-economic development. The creation of the SAMENA Council's CMO Committee also serves this purpose, whereby strategy consultants, technology providers, policy-makers, operators, vendors, and concerned stakeholders work together and share best-experience trends and marketing capabilities in the region to positively influence future regulatory agenda.

In light of the growth that has occurred within the communications industry, latest thinking in the telecommunications marketing environment requires telecom operators to develop both strategies and tactics to be able to create value for themselves, their investment stakeholders, the economies they operate in, and the end-user that represent their greatest assets.

Evidently, the telecommunications industry is not as serene today as it used to be. Different domains—commercial, technology, government, banking, healthcare, education, and others—have begun to merge together, aided by the adoption of digital tools and services. In parallel, where connectivity has reached beyond required levels, saturation has also resulted, as a consequence of mass adoption of telecommunications services. In such situation, retention of subscribers—both consumers and enterprises—has become a pressure point. To make matters worse, the competitive landscape has become even harsher.

Could dividing and conquering be an option that telecom operators should use, and could telecom operators become the undisputed carriers-of-choice of specific segments?

It may just be very possible if, however, telecoms operators are able to trace occurring changes in their customers' behaviors and trace efforts that can then be converted to financial projections. These days, customers have reach and are more connected than ever before. By virtue of this connectivity, customers are able to influence prospective customers. Thus the loss of one customer has the potential to trigger a chain of loss with other customers. Furthermore, customers are increasingly opting for self-service applications and statistics show that more than 55% of the customers are following this trend.

A part of the problem in not being able to do much with the wealth of information that exists in telecommunications networks lies in the fact that chief marketing officers of most telecoms operators are not connected with the customer base. Therefore, they have difficulty in making cases for customer investments with their board leaderships. It merits knowing that by identifying gaps that exist in customer reach, much-needed improvements in marketing strategies can be realized. It is a known fact that the ability to convert customer information into corporate action is a marketing advantage most companies do not know how to achieve, or have been very slow to realize.

The customers have to be sought and efforts must be made to reach out to them. Available CRM technologies need to be utilized and efforts should be made to ensure that customer churn is mitigated, even at the cost of constantly introducing innovations. There is a dire need to attend to customer experience measurement and customer lifecycle, and organizations need to focus on and synchronize themselves with customer needs on various segments.

Future commercial steps need to be driven by mobile data strategy. Network capacity should be planned according to customer needs, which, in the future, will no longer be driven by individuals but communities. Thus, immediately, telecom operators need to find ways to realize this fact and start working on technologies and processes that allow them, for example, to identify when a household becomes a digital household, and when and how to collaborate with retail partners, to be able to access such types of customer details.

Chief marketing officers should focus on micro segments, understand customer issues, and should develop the will and mechanisms to know the reasons why customers become unsatisfied, and what marketing tactics and service offerings could be used to mitigate that dissatisfaction. As always, progress in today's age continues to depend on the quality of people who are leading the telecommunications brands. Thus, good decision-making continues to play a crucial role. That is to say, all decisions made should be reflective of the telecoms operators' own priorities and aspirations, and not necessarily be driven by what other operators or over-the-top-providers are doing. "Sheep syndrome" can no longer continue to drive operator strategies.

Sustainability is a major issue today and businesses increasingly depend on negotiations with other operators, broadcasters, media content providers, and other stakeholders. To this effect, while big strategies are put in place, focusing on small procedural steps may also prove to be effective in dealing with existing churn challenges. Such steps may range from introducing corporate incentivization programs that enhance marketing teams' performance to reward programs that inspire and motivate the customers. New models—internal or external—need to be designed very intelligently.

The future of the communications industry truly does lie in the adoption of well-marketed digital services and technologies. Everything telecoms operators choose to do today has to take this fact into account and work toward realizing it both individually and collectively. With powerful, customer-centric marketing strategies and by attending to

customer requirements through prescience, digitization will have the required enabling environment to get materialized. Social and economic progress will follow suit, subsequently.

Izhar Ahmad, Awais Amjad

ROAMING NEWS

Emirates Data Clearing House now administers airtime and transactions of roaming customers

EDCH (Emirates Data Clearing House) and Telepin Software, announced that they are jointly powering the new Global EDCH International Transaction Platform in the United Arab Emirates. The platform empowers EDCH clients to enable their prepaid subscribers to recharge their accounts, and conduct other mobile transactions services such as international air-time transfer and mobile money transfer, while they are in their home network or roaming in the visited network. Prepaid subscribers make up the majority of mobile subscribers. On some networks, especially in unbanked areas of the world, prepaid represents 99% of the entire customer base. Currently, to top-up a prepaid account, a mobile subscriber needs to be on their home network - making it virtually impossible to recharge their mobile accounts during sometimes extended times away from home, including work travel or vacation. "We have made an international initiative to provide a unified and consistent experience for all our operator clients on the Hub," said Ahmed Almehyas, General Manager, EDCH. "EDCH Hub has delivered a significant service that interconnects all our clients, allowing them to leverage their assets and creating a starting point to provide additional unified transactional services across the globe," said Ahmed Alyateem, Marketing Director at EDCH.

Wireless Broadband Alliance announced Wi-Fi roaming interoperability compliancy program

The Wireless Broadband Alliance (WBA), the industry association focused on driving the next generation Wi-Fi experience, announced the launch of its Interoperability Compliancy Program (ICP), an initiative that will streamline the way WBA members work together on a common set of technical and commercial frameworks for Wi-Fi roaming. Key global players in the Wi-Fi ecosystem such as AT&T, Boingo Wireless, BT, China Mobile, KT, NTT DOCOMO, PCCW, Shaw Communications, Smart Communications and True have confirmed their participation. The program outlines compliancy guidelines for operators with different support levels. These range from simple integration requirements for roaming partners, to delivering support for the latest in session security, to more complex charging models and billing mechanisms required for the implementation of Next Generation Hotspots (NGH).

Takom announced Easy roaming package

Mobile operator Takom, working under the Beeline Tajikistan brand, has introduced a new roaming promotion in Russia labeled as Easy Roaming. With the service "Easy Roaming" subscribers can travel to Russia and communicate with family and friends for a good price. The benefits subscribers will get in this package are free incoming calls. Also they will be able to enjoy free outgoing calls from the 2nd to the 5th minute.

Axis expands its roaming service reach for BlackBerry at flat rate in 25 countries

Axis has expanded its unlimited BlackBerry international roaming for any operator to 25 countries. Axis provides roaming service with a fixed rate Rp49.000 per day, allowing customers enjoy fixed rates BlackBerry service when traveling outside the country through any of the selected operator. Axis customers traveling to Austria, Lichtenstein, Japan, Albania, Hungary, South Korea, Greece, Kuwait, Switzerland, Ireland, Netherlands, Iceland, New Zealand, Singapore, Germany, Romania, Brunei Darussalam, Canada, Qatar, Thailand, Kuwait, Nigeria, United States, Bahrain, and Taiwan, will instantly be able to access email, chat via BlackBerry Messenger, access to favorite websites, in other BlackBerry services only Rp49.000 per day. This service is valid for all customers Axis, both pre-paid subscribers and post-paid, 24 hours, every day.

Aircel announced new tariff plan

Aircel has announced that it has launched a tariff plan that offers one rate for Voice, SMS and Data in home circles and on roaming on the Aircel network. The product is an industry first, and comes at a time when other telecom players have raised concerns against dropping charges. 'One nation, one rate' will provide the following One India tariff to Aircel customers:

Voice – Local/national calling at 1paisa/second in the home circle as well as on roaming on the Aircel network. Incoming calls while on roaming on the Aircel network will be free·
SMS – Local and national SMS at Re 1/SMS in the home circle as well as while on roaming

Data – User will be able to carry the home circle rate while on roaming

Anupam Vasudev, Chief Marketing Officer, Aircel, said, "We believe that the launch of this product will create a community of Aircel users and will mark the start of an important chapter in India's telecom growth story."

North Korea permits overseas visitors to use their own mobile phones

The North Korean government has slightly relaxed its tight restrictions on mobile phones, and will now allow the limited number of foreign visitors into the country to bring their own mobile phones with them. They need to register the handset serial number with the Customs authorities so that the mobile network -- a Korean-Egyptian joint venture Koryolink -- to grant access to the handset. "If you want to make international calls, the WCDMA 3G mobile phone owners can purchase our Koryolink SIM card, which costs 50 euro," an unnamed Egyptian technician told the Chinese state news agency, Xinhua. However, that is for voice calls only - the mobile data service is still barred pending further approvals being granted. Until now visitors to the country - mainly businessmen and a few tourists were required to leave mobile phones with customs officials and collect them when leaving the country. "We have tried hard to negotiate with the Korean security side, and got the approval recently," said the Egyptian, noting that "it has nothing to do with the Google trip."

Chunghwa Telecom introduced new tariffs for roaming service

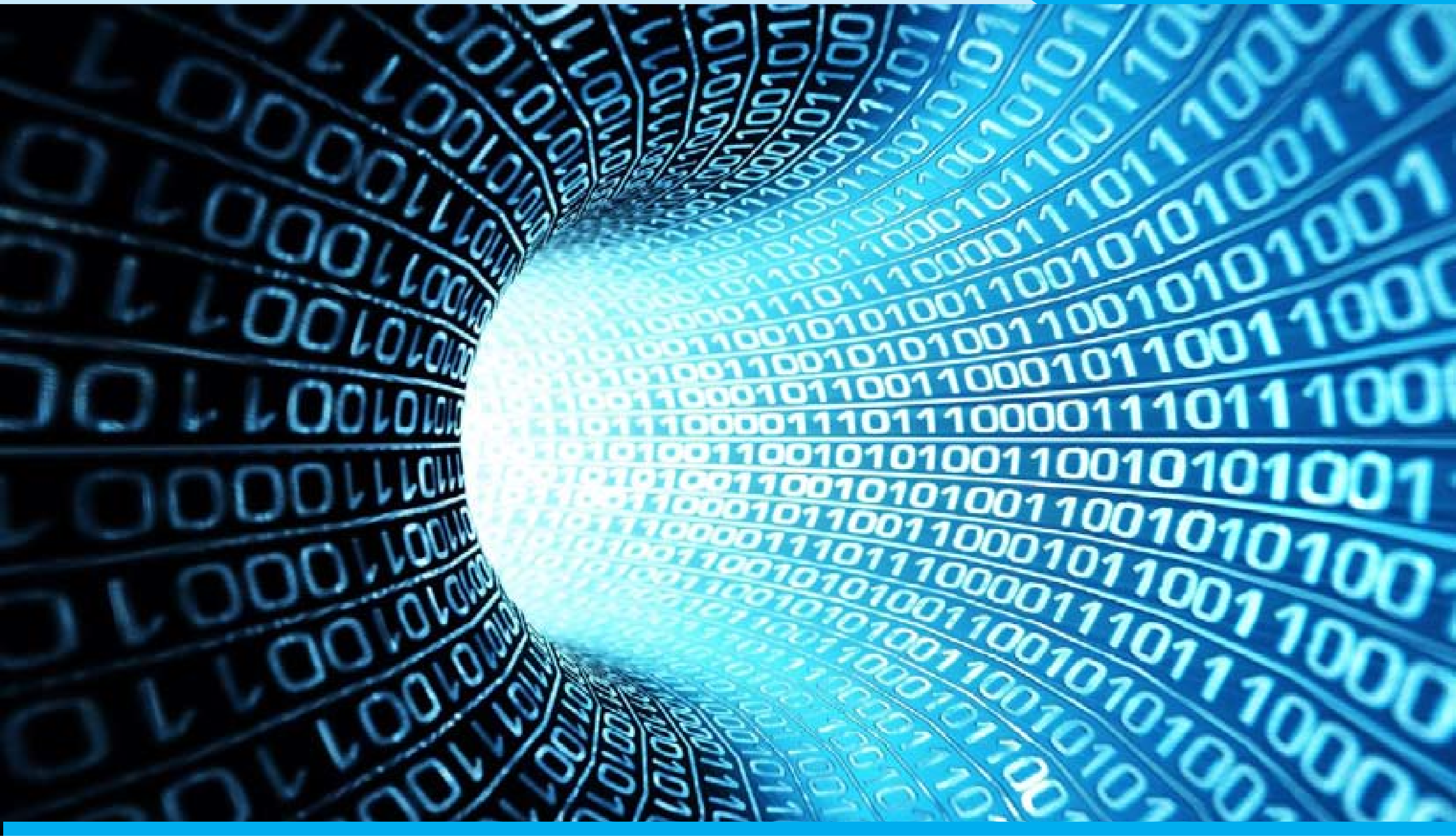
Chunghwa Telecom has announced a new data plan for roaming service because the increasing demand for mobile networks has driven the growth of data roaming volume. Chunghwa Telecom said the total transmission volume of its data roaming service saw a five-time increase in 2012 compared with the previous year, with the number of the service's users reaching 7.5 million. Lin forecast that his company's data roaming volume will continue to increase four times this year as more customers adopt mobile networks. Meanwhile, Far EasTone Telecommunications Co., the country's third-largest telecom operator, said its customers will be able to use paid and unlimited Wi-Fi services in Japan from February.

Thailand and Laos are in agreement on mobile signals along the border line

Mobile phone users along the border with Laos will no longer be charged international rates for domestic calls following an agreement to limit signal coverage across the frontier. The Thai-Lao Joint Technical Committee on Coordination and Assignment of Frequencies recently concluded negotiations on tackling the intrusion of mobile phone signals into their respective border areas, the National Broadcasting and Telecommunications Commission said in a statement released recently. Agreement was reached in December and is now effective. The two countries have agreed to allow the signals of mobile phones from another country to go no more than one kilometer inside their populated border areas, and two kilometer in other locations. The signal level from another country in border areas is capped at -90dBM for 2G technology and -100dBM for 3G, the telecom regulating agency said.

Canada based Rogers offers 4G roaming

Toronto-based Rogers Communications announced the launch of LTE roaming. According to Rogers, it's the first carrier in North America and one of the first in the world to offer international LTE roaming to its customers. The first country where Rogers customers will see LTE roaming available is Hong Kong. The Canadian telco promises to add several more countries to this list throughout the year. "Rogers was the first carrier to launch an LTE network in Canada and we are adding to our proud history of innovative firsts by being the first carrier in North America to launch LTE roaming," said Raj Doshi, senior vice president of products for Rogers. "We know that Canadians travelling, whether for business or pleasure, want access to their device, email, documents, and the Internet. By offering LTE roaming, our customers can stay connected while travelling at the same blazing fast LTE speeds they experience in Canada on the Rogers wireless network." Currently, Rogers' local LTE reaches 60 percent of Canadians.



TECHNOLOGY NEWS

Spanish FTTH connections double

Spain's appetite for fiber-to-the-home (FTTH) lines remains undimmed, with the number of FTTH connections doubling over the past year to reach 288,012 by the end of 2012, according to a report published by Telefónica. The total number of fixed broadband lines grew three per cent last year, the report adds, with FTTH lines accounting for an estimated 2.5 percent of all fixed broadband connections in the country, driving a shift in consumer behavior from content ownership to content streaming. The overall number of high-speed lines (including cable, VDSL and FTTC) has also increased markedly: the number of lines delivering speeds of 20Mbps to 50Mbps has grown 111 percent, while the number of lines capable of more than 50Mbps grew 60 percent, with both reaching one million. Telefónica found that six million Spaniards are now "permanent digital communicators" and remain connected to the internet 24/7, with mobile broadband being a key driver, as 43 percent of mobile owners now use their devices to connect to the web. Fixed broadband penetration increased by five percentage points last year to reach 67 percent of all Spanish homes, despite the country's ongoing economic difficulties. Applications continue to grow exponentially in the Spanish market, with 2.7 million apps currently downloaded each day by Spanish consumers.

All new homes in China to have FTTH connections from April

The Chinese government has mandated that all new homes in China must have fiber to the home (FTTH) connections from April this year. According to China Daily, the new policy was recently issued by China's Ministry of Industry and Information Technology. In areas where multiple fiber networks are accessible from a property, developers are also obligated to let consumers have a choice in which network they connect to. FTTH is the main technology being rolled out in Australia through the National Broadband Network.

North Carolina sees rapid IPTV deployment

North State, one of the leading broadband providers in the US state of North Carolina, has shifted its IPTV deployment up a gear with the adoption of optical networking terminals from US firm Zhone. Zhone's ONT platform acts as a smart device within customers' homes, providing full gateway functionality and eliminating the need for a second device to control routing functionality. North State enhanced its IPTV service 'Plex Advanced TV' in July of last year, helping it expand its customer base to more than 5,000 live customers.

China to further expand its trial of 4G wireless network in 2013

China will expand its two-year-old trial of fourth-generation mobile networks this year after making very good progress in 2012. China is actively promoting the 4G network trial, Zhang Feng, director of the telecommunications development department at the Ministry of Industry and Information Technology, said today at a briefing in Beijing. He didn't give a time frame for when the ministry will issue 4G licenses. China Mobile Ltd., the nation's largest operator, is counting on the move to a 4G network to stem its declining market share among users who watch videos and play games on their phones. The company is unable to support Apple Inc. (AAPL) iPhones among other handsets on its existing 3G network as it uses a homegrown technology. The new 4G networks are based on TD-LTE technology. China Mobile Communications Corp., the state-owned parent of China Mobile, finished first-phase trials of the system in six cities with 850 base stations in September 2011. The trial was expanded to seven cities in the first half of last year and it was due to reach 20,000 base stations in 13 cities in the following six months. This year, the program was expected to reach 200,000 base stations, China Mobile said in August.

Paris gets its first LTE coverage

Orange has switched on 4G LTE services in Paris, becoming the first operator to do so in the French capital. Orange's LTE services went live on Monday in the Opéra area of Paris, with the rest of the city to get the 4G network coverage by the end of the year. The operator is expanding its 4G device line-up beyond its previous enterprise focus — only one tablet and a dongle are currently available — from next month, adding the Samsung Galaxy S III 4G, Nokia Lumia 920 and HTC One SV. Orange plans to have LTE in 15 cities by end of this year: Bordeaux, La Rochelle, Chartres, Orleans, Dunkirk, Nancy, Metz, Clermont-Ferrand, Grenoble and Annecy are scheduled to get 4G access in April, while Paris, Lyon, Marseille, Nantes and Lille are already live. Lyon was also the site of France's first commercial LTE service, which operator SFR deployed late last year. SFR announced on Tuesday that it has also rolled out LTE in Paris, just one day after its competitor. SFR has chosen the business district of La Défense for its deployment. Rival French mobile operator Bouygues conducted the first LTE pilot in the city in 2012, and is now in the process of rolling out 4G services in France's main cities.

FTTH Council launches online community toolkit

The Fiber to the Home (FTTH) Council Americas has launched its Online Community Toolkit, which is aimed at community and business leaders looking to secure their economic future through ultra-high-speed Internet connectivity by upgrading local networks to all-fiber. The toolkit offers an array of templates, white papers, case studies, and other features that are designed to assist civic leaders, local telecommunications providers, and other groups to finance, plan and build all-fiber-optic networks that are capable of delivering gigabit speeds and beyond. The Council's Web-based platform becomes available just days after the chairman of the Federal Communications Commission (FCC), Julius Genachowski, issued a "Gigabit City Challenge" calling for every state to have at least one community where gigabit-speed broadband service is available by 2015.

Tele2 Estonia extends LTE coverage to Tartu

Estonian mobile network operator Tele2 Eesti has announced that it has extended its fourth-generation LTE network to Tartu, the country's second-largest city. Tele2 Eesti is understood to have deployed ten new LTE-compatible base stations around the city. Looking ahead, Tele2 Eesti has also noted that it expects to grow its 4G coverage further this year, to Narva and Kohtla-Jarve. Tele2 Eesti sales director Jaanus Sepp noted that in addition to constructing new 4G base stations across the country, the existing GSM network will be upgraded and replaced with new equipment. As previously reported by CommsUpdate, Tele2 Eesti launched its first commercial LTE services in November 2012, enabling access to the superfast mobile broadband services for modem users. At launch the company said that its LTE network was capable of speeds of up to 150Mbps/75Mbps (download/upload) and covered most of the northern centres of Estonia. At that date it also noted that in 2013 it expects to add around 150 new base stations to expand coverage to other regional centres, and by 2017 the 4G network will cover '100% of Estonia'.

UTStarcom launches iTV Media venture in Spain

Media support services and equipment provider UTStarcom has announced that its partner, network solutions and service provider iTV Media, will begin deploying its IPTV and video-on-demand (VOD) services in Spain through a strategic partnership with Mira TV. UTStarcom invested in iTV Media in 2010 as part of its strategy to expand into media operational support services, and is the single largest shareholder of iTV Media. Mira TV is one of the leading over-the-top (OTT) IPTV platform providers in Spain and offers over 200 channels on-demand with more than 5,000 hours of VOD content. Its IPTV and VOD services will enable users across Spain to watch rich content, including domestic and international channels, anytime and on a broad array of devices. The launch of these services in Spain will provide iTV Media access to approximately 200,000 subscribers by summer 2014.

Sprint to expand 4G LTE to 28 more cities in coming months

Sprint Nextel announced plans to expand its 4G LTE network to 28 new cities in the coming months, continuing its push to blanket its entire network with the high-speed wireless access. The Overland Park, Kan., company listed Paris, Texas; Branson, Mo.; Oxford, Miss.; and other smaller cities in its latest update. It didn't specify what "coming months" means, but as CNET has reported, that could be as much as six months. Sprint has been playing catch-up in terms of 4G LTE, lagging far behind rivals Verizon Wireless and AT&T. It earlier made a bet on Clearwire's WiMAX network, but later chose to go with LTE. Under Sprint's Network Vision plan, which is estimated to cost US$4 billion to US$5 billion, the company is shutting down its iDEN-based Nextel network, moving to 4G LTE, and simultaneously improving its 3G CDMA coverage. So far, it has largely rolled out LTE in smaller markets. Sprint noted the faster wireless service is currently available in 49 networks, and it has announced nearly 200 more areas where LTE is on its way. CNET reported late last year that LTE may not arrive in the major markets of New York and San Francisco until March.

Margin Squeeze issues are attracting increased attention

> *What's at stake is to maintain competitive retail markets.*

With the roll-out of Next Generation Networks in the fixed telecoms world and increased network sharing in LTE mobile networks, margin squeeze is attracting increased attention. What's at stake is to maintain competitive retail markets in a situation where multiple service providers use the network of a network operator which also competes in the retail market.

A margin squeeze may occur where a vertically integrated operator sells both the retail service and an essential wholesale input to that service. Specifically, a squeeze arises when the difference between the operator's retail price and its wholesale price is too small for an efficient competitor to: i) purchase the wholesale input; ii) provide the remaining inputs needed to create the retail services and iii) sell the retail service on a profitable basis.

In practice, there are two main scenarios in which margin squeezes may occur. Firstly, where the price of a wholesale service is regulated on a retail-minus basis the difference between the retail and wholesale price may be too small for an efficient competitor to compete and make a profit. Secondly, where the wholesale price of the vertically integrated operator is regulated but its retail service is not, retail prices could be set at a level which does not allow competitive operators to be profitable. The intention in such a case could be for the incumbent to drive competitors out of the market so that it can put up its retail price – short term pain for possible long term gain.

> *Where the wholesale price of the vertically integrated operator is regulated but its retail service is not, retail prices could be set at a level which does not allow competitive operators to be profitable.*

Looking in more detail at the two cases, retail-minus regulation is used by certain regulators for some fixed network services. For example, the UK regulator Ofcom has argued that retail minus may be appropriate for certain innovatory services where there is considerable uncertainty about service performance and it is important to encourage new investment. For this reason Ofcom has not imposed price regulation on BT's VULA service (next generation bitstream) although the service is subject to a number of conditions. However, it does require that VULA prices are set at a level which ensures there is no margin squeeze.

In its Draft Recommendation on non-discrimination obligations of 7 December the European Commission outlines an approach for NGA (but not legacy access networks) which has something in common with Ofcom's. The recommendation proposes that NRAs should not maintain or impose cost-orientation on NGA wholesale inputs providing certain conditions are met such as equivalence of input and the satisfactory outcome of an economic replicability (margin squeeze) test.

> *As mobile telecoms moves from a voice orientated business to LTE, it becomes increasingly difficult to determine what margins are.*

In mobile networks, national roaming charges and prices paid by MVNOs are often set on the basis of commercial negotiations although this may accompanied with the potential threat of retail minus if that does not work. In practice, commercial negotiation often does the trick, particularly when there are a number of operators in the market, but there is always the possibility of retail minus in the background and hence, the possible need to identify what the margin actually is. As mobile telecoms moves from a voice orientated business to LTE, it becomes increasingly difficult to determine what margins are because there is no clear relationship between data volumes and revenue.

Margin squeeze tests can also be applied in situations where wholesale prices are required to be cost orientated. A potential problem arises in situations where the margin squeeze test is failed since this could result in wholesale prices being set below costs – indeed, this has happened in Austria. Setting wholesale prices below cost is warranted in situations where the incumbent is trying to squeeze competitors out of the market but seems inappropriate where prices have been reduced to remain competitive in the market. For this reason regulators and competition authorities need to take account of the prevailing circumstances when acting on margin squeeze tests where wholesale input prices are subject to cost orientation. In this context it is interesting to note that the European Commission Draft Recommendation on non-discrimination obligations does not propose the use of margin squeeze testing for legacy access networks, where cost orientation is required.

According to a 2009 ERG survey, 12 NRAs have a procedure to carry out margin squeeze tests and, indeed, a large number of tests have been conducted. The importance of testing is likely to increase in the future, for example in the context of NGA network rollout. Given the increasing recognition that setting wholesale inputs in NGA networks on a cost orientated basis may have a negative impact on roll-out, margin squeeze testing will inevitably become an essential part of an NRA's regulatory toolkit.

> *There are many types of test and the appropriate way to conduct a test will depend on the circumstances under consideration.*

Finally it's worth saying something about margin squeeze tests themselves. Put simply there are many types of test and the appropriate way to conduct a test will depend on the circumstances under consideration. In many cases regulators and competition authorities may do well to test for margin squeeze using two or more different methodologies.

To give some idea of the approaches/issues involved:

- tests can be conducted on an ex ante basis or an ex post basis;
- tests can be conducted either on an Equally Efficient Operator basis (essentially the incumbent's costs) or a Reasonably Efficient Operator basis (the costs of a potential competitor). The Commission's recommendation has, probably sensibly, come out in favour of the former;
- tests can examine either projected or realised cash flows and/or look at year by year results. There are arguments in favour of both approaches;
- for bundled products tests can be carried out either on a product by product basis or at the level of the aggregate bundle;

A further and crucial factor to consider is the period over which the test is to be conducted. This is particularly important for new innovative products such as Next Generation Access where it may take a number of years to achieve a positive rate of return.

Jonathan Wilby
Senior Consultant
Coleago Consulting Ltd

Efficient Utilization of L-Band Spectrum will Spur Growth across MENA

With over six billion connections worldwide and US$1.3 trillion in annual revenue[1] , mobile has become the largest technology platform in history. While the benefits of the data services enabled by mobile technology are widely understood, the industry is now facing a challenge as mobile data traffic is growing at a staggering pace. According to analysts, traffic more than doubled in 2010 and it is predicted to grow by a further 10 to 12 times by 2015[2] and data traffic growth could potentially increase by 500x to 1000x from 2010 to 2020[3]. This significant traffic growth is asymmetric and largely downlink-centric as consumption habits revolve primarily around the downloading of video and other data heavy applications.

> *With over six billion connections worldwide and US$1.3 trillion in annual revenue , mobile has become the largest technology platform in history.*

However, the growth, spread and management of mobile data, and what it can enable, could be hindered by the lack of available spectrum and the underutilization of spectrum in the Middle East and North Africa. Spectrum, which is the lifeblood of mobile communications, is a finite natural resource – much like water, land, gas and minerals – and many governments and organizations are looking into and considering the best use of spectrum.

The frequency range, 1452-1492 MHz, remains widely underutilized worldwide, including in the Middle East and North Africa. Although this band has been widely and nearly globally harmonized, as it has been reserved for more than 10 years for the extension of digital audio broadcasting

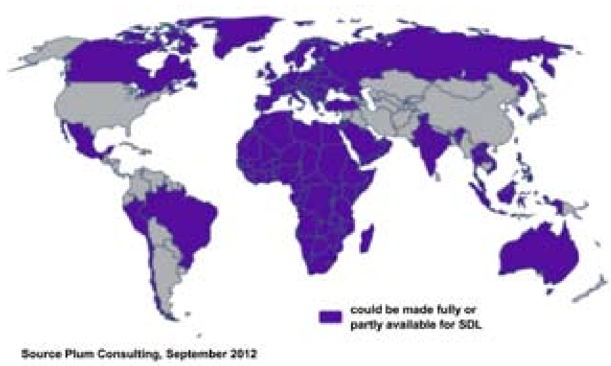


Figure 1: 1452-1492MHz harmonized on a very large global basis (Source: Plum)

(DAB) networks, it remains mostly unused because the designated services – terrestrial and satellite networks – have not been developed. Figure 1,illustrates the opportunity of this frequency range to support mobile data services given the very limited success of digital audio services.

Many regions are beginning to explore the possibility of reallocating this band for other uses, particularly for mobile communications. In Europe, for example, the CEPT recently reviewed the most appropriate future use for this band (ECC Report 188) and decided, in September 2012, to harmonize the band for Mobile Fixed Communication Network (MFCN) Supplemental Downlink (SDL). SDL is a feature that uses unpaired spectrum bands aggregated with paired spectrum to offer additional downlink capacity (see Figure 2). It boosts capacity where downlink data-hungry apps, such as video on-demand, file download for software updates and mobile apps, podcast updates, etc. are a factor and can be implemented in different unpaired bands around the globe.

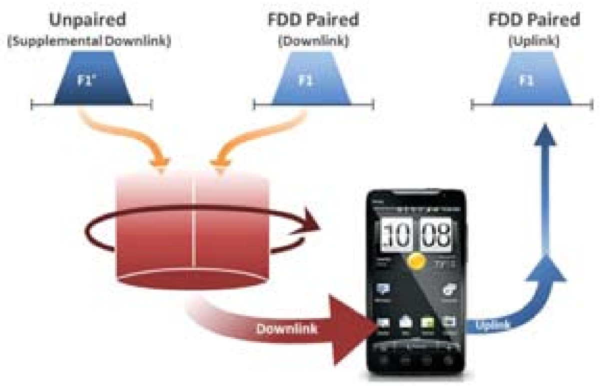


Figure 2: SDL for additional downlink capacity and traffic asymmetry (Source: Qualcomm)

Plum Consulting was commissioned by Ericsson and Qualcomm to provide an independent assessment of the potential socio-economic benefits derived from the use of the SDL in the 1452-1492 MHz band in the Middle East and North Africa. Their study found that the use of SDL in 1452-1492 MHz would generate US$26 billion in of socio-economic benefits[4].

One key benefit is that the use of 1452-1492 MHz for HSPA+/LTE SDL offers additional downlink capacity to mobile operators using mobile broadband FDD networks (900, 1800, 2100 MHz), which leads to improved services and higher downlink speeds, enabling a larger number of users.

In addition, depending on the number of operators in each market, the 40 MHz available in the 1452-1492 MHz could represent an additional 10 or 20 MHz per operator in most of the MENA countries. This additional spectrum would roughly double the downlink capacity of most operators in lower frequency bands.

Mr. Jay Srage, President of MEA for Qualcomm emphasizes that "HSPA+ and LTE-Advanced standards make commercial use of the 1.4 GHz band for SDL possible as early as 2014. The technology is well known around the world and the necessary spectrum is largely available in the Middle East and North Africa."

> *"The availability of spectrum to enable all that mobile broadband provides is not just about providing services to consumers. It is also critical to a country's economic and social development."*

The availability of spectrum to enable all that mobile broadband provides is not just about providing services to consumers. It is also critical to a country's economic and social development. Close cooperation between governments and industry is critical to ensuring the effective allocation and utilization of L-band spectrum, which is necessary to spur growth across the region.

Qualcomm

[1] Chetan Sharma Consulting 2011
[2] Strategy Analytics, March 2011
[3] CoCoMo, December 2010
[4] Plum Consulting: http://www.plumconsulting.co.uk/pdfs/Plum_Oct2012_The_economic_benefits_from_deploying_1.4_GHz_spectrum_in_the_MENA_region.pdf)

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