

HIGH SPEED BROADBAND

Telekom Malaysia wins government nod—and funds—to build fiber net

STARHUB

Singapore ISP pinged as a major BitTorrent blocker

WIMAX

Intel tipped to make major Green Packet investment today

COMMSDAY

ASEAN CHINA EDITION

May 19 2008

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Written & published
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Arbinet seeks growth in HK, global data market

Telecom minutes and bandwidth trader Arbinet will expand its data exchange platform offering to Hong Kong at the end of 2008 as part of a strategic plan under new CEO Bill Freeman to capitalize on the global growth of data traffic. “When I came in in November, one of our highest strategic priorities was really to refocus on our core voice and data businesses, and look at where our growth opportunities were and commit the resources to really deliver on our market plans,” Freeman said in an interview with CommsDay.

“One, it’s a refocus issue and understanding where our growth is going to come from. And two, we had such good success with our existing data markets, it kind of reinforced our decision to move to Hong Kong, which was next on the list as a potentially great data market.”

While Arbinet currently operates an office in Hong Kong for its voice exchange platform, Freeman says that the company will implement data exchange and distribution capabilities by the end of 2008. Hong Kong will become the company’s third data-enabled exchange point in the world, joining New York and London.

Arbinet was founded as one of the industry’s first independent telecoms exchanges, allowing carriers to interconnect with multiple peers within a single operating environment. Members connect to Arbinet facilities and interconnect with other members while Arbinet provides a range of administration, route optimization, and settlement issues under a standard framework. For carriers, the model reduces the complexity and cost of establishing bilateral agreements with a growing number of peers while offering a transparent market place for the purchase and sale of voice minutes, bandwidth and IP traffic.

The new Hong Kong facility will give local companies and ISPs an on-ramp into the Arbinet infrastructure in Asia to access all the networks of its 1,045 strong membership list. According to Freeman, while the Hong Kong data business is still very new, it has huge growth potential.

“We have a presence in Hong Kong and our team is very strong and making good contacts, but it is almost like a start-up company,” he said. “In our strategic plan, I would expect Hong Kong to be a very significant contributor (to growth), probably looking at 300%-500% increase in the amount of business that we have there, so a significant growth area.”

GLOBAL OPPORTUNITY: In addition to Hong Kong, Freeman sees opportunities for the company’s solution for other markets in Asia as well as across the globe.

“We have specific things that we are looking at now in other parts of Asia, including India and Japan,” he said without disclosing further details. “Also, there’s significant growth in Latin America, Middle East and Africa. The Arbinet value proposition is very attractive in those growing markets because you don’t have the necessity of incurring the costs and time of setting up all these individual relationships. When you can come to Arbinet and have access to over 1,000 members, it al-



lows us to basically bring efficiency to a very inefficient market. So any growth market right now, including Asia, is ripe for Arbinet services.”

Aside from its global expansion plans, the growth in data traffic volume also represents a major growth opportunity for Arbinet.

“Our best data tells us that internationally, data (traffic) is growing at about 40% per year. And when you look at how attractive data is now across such a wide range of businesses of all sizes, you have what I considered a real opportunity in the small and medium sized business area,” Freeman said. “Data is growing. Over the last year, from a quarter-on-quarter stand point we are growing at over 13% in revenues. We don’t provide a discrete breakdown of that, but I can tell you that from our strategic planning cycle of about 3 to 5 years, we’d expect data to approach about 10% of our revenue.” Arbinet reported fee revenues of \$13 million for the first quarter of 2008.

BYPASSING THE TELCO: Freeman revealed that the company is no longer dealing exclusively with telecommunications carriers and ISPs. An increasing number of large corporations and institutions, as well as cable TV providers are leverage the company’s platform to peer and interconnect with each other, effectively bypassing traditional telcos altogether.

“Peering is a large market for us, even domestically here in the US. You can talk about universities, cable companies peering. We can now eliminate the middle carrier in that process. We are seeing very significant interest from that stand point,” he said. “As an example, the cable companies here in the US are very involved in providing telephony services, and their customers need to exchange traffic if a user on cable company X is calling a customer on cable company Y’s network. If they have a significant amount of traffic, then they are a candidate for us, because they can set up a peering relationship so they can just use the Internet Protocol to exchange traffic.”

Meanwhile, Freeman says Arbinet will divert its interest in non-core businesses.

“In the past, we looked at some applications that can be used off of our platform – such as content movement, which would involve music video, advertising and other things. We are exiting a business that we have right now. We will divest that business, and that was on the music side,” he said. “It’s not that I was so against the concept of using our platform to move data, other kinds of content from a digital standpoint, I just didn’t think that was the right vehicle for us. If we see another opportunity that makes more sense from a revenue and cost stand point, we might commit some resources to it, but our primary objective is on our voice and data businesses.”

Tony Chan

Telekom Malaysia, gov’t combine on US\$4.7b net

Plans by Telekom Malaysia and the Federal Government to combine on building a national high-speed broadband network has spawned concerns from other companies that affordable and equal access prices are necessary if national policy goals are to be achieved.

Communications Minister Shaziman Abu Mansor announced the government would combine with TM to build the US\$4.7b network last Thursday. The aim is to increase broadband penetration in Malaysia to 50 percent of homes in 2010 from 18 percent now, Shaziman said. It is also hoped the offering would also create 135,000 jobs because it would help spur local digital-content creation and attract foreign direct investments.



“Foreign investors now always scrutinise a country’s broadband speed when they decide on whether or not they want to do business with the nation,” said Shaziman.

The government justified the decision saying TM was chosen because the government wants the net to be rolled out quickly in a cost-efficient manner.” Shaziman said TM was the best choice to upgrade the existing network for HSBB roll-out as it owned 95 percent of the existing fixed line infrastructure.

“To ensure TM’s network openness, the regulatory framework will be developed on an open network concept to ensure that other industry players will have an opportunity to access the HSBB network at the application and network service levels,” he said.

A comment piece in the Malaysian Star said that competitors to TM were concerned over the relative lack of consultation over the network decision and suggested that giving the incumbent a leg-up might hurt competition and affordability.

But in justifying its decision, the government said Malaysia's typical broadband speeds of 1-4Mbps fall behind higher speeds in other markets such as Singapore, Hong Kong and Korea. Malaysia's 18 percent penetration compared poorly with Singapore's 78 percent; Hong Kong's 80 percent and South Korea's 93 percent. Quick action was needed, the government said.

Phase 1 of the project will involve RM2.4 billion of government funds and RM8.9 billion from Telekom Malaysia covering 1.3m homes.

Pamela Perez

Intel to announce Green Packet investment today?

Intel is rumoured to be announcing a minority investment in the ambitious Malaysian WiMAX operator Green Packet today, according to reports carried by US outlet CBS Marketwatch.

"Intel's entry will help Green Packet which will soon launch Malaysia's first WiMAX broadband service break into other markets in the region," the web report said.

Intel said it will announce an "investment in a listed Malaysian telecommunications company" on the sidelines of the World Congress On Information Technology 2008, underway in Malaysia.

Earlier, Green Packet said it was looking for deals with other carriers in the region.

"We are in talks with various operators in South-East Asia and also the Middle East and North Africa (MENA). There are easily more than five WiMAX or aspiring WiMAX operators," group managing director and CEO Puan Chan Cheong told the Star newspaper.

"A lot of countries, like Indonesia, Thailand, Vietnam and the Philippines, are looking to issue licences in the next six to nine months," he said. "Their regulators have come to Malaysia and they have been referred to us. There are also a lot of aspiring WiMAX operators that want to bid for licences and have come to talk with us."

UTStarcom backs China relief, ITU helps Burma

Telecommunications equipment maker UTStarcom has extended its hand in China's relief efforts with 2,000 PHS Handsets and 200 Base Stations as well as a US\$143,000 commitment to China Hangzhou Charity Federation.

The 2,000 PHS handsets and 200 base stations have been given to Sichuan Telecom and Chengdu Telecom for aid in the disaster relief efforts in Sichuan province.

According to the release, UTStarcom service engineers in China are on call 24 hours per day to support the rescue and rebuild of affected areas.

UTStarcom's donation follows appeals by various international aid organizations for assistance in relief efforts as the company have recently learned that most fixed-line networks are unavailable in the region due to physical damage, and the PHS system is being deployed instead for emergency dispatch and command communications.

Meanwhile, the International Telecommunication Union has deployed 100 satellite terminals to help restore communication links in the aftermath of Cyclone Nargis that hit Myanmar on 2 May. ITU is providing both Thuraya hand-held satellite phones and Inmarsat Global Area Network (GAN) terminals. The Thuraya satellite phones use both satellite and GSM networks and also provide accurate GPS positioning coordinates to aid relief and rescue. The Inmarsat GAN terminals are mainly used for voice communications and, for high-speed data. ITU pays for all expenses, including transportation of the equipment and usage.

Pamela Perez & Tony Chan

Orange and VDC take MPLS-based IP VPN services in Vietnam

France Telecom Group's division for worldwide enterprise services Orange Business Services and Vietnam Datacommunication Company have launched MPLS-based IP VPN services in Vietnam.

The service gives multinational companies in Vietnam the benefits of network convergence benefiting more mature markets. Hence, organisations in the country will be able to consolidate their voice, data and application traffic on a single network to improve efficiency and enhance busi-

ness performance, say the two.

This agreement is the latest collaboration from an existing 7-year partnership by Orange Business Services and Vietnam Datacommunication Company. "Orange Business Services is a global communications integrator with a worldwide presence and key assets in mature as well as emerging markets," said Yee-May Leong, Orange Business Services, senior vice president, Asia Pacific. "Our goal in Vietnam is to help business organizations leverage IT and telecoms to improve efficiency, create new business opportunities and enter new markets."

"VDC and Orange Business Services have enjoyed a successful relationship in the data communications sector for seven years," said Vu Hoang Lien, Vietnam Datacommunication Company. "This agreement strengthens our commitment to successfully meet the demands by business enterprises in Vietnam for advanced MPLS IP VPN services."

Pamela Perez

Restructure plunges Intelsat to loss

Intelsat lost \$412.7 million in the first quarter thanks to hefty restructuring costs.

Revenue topped \$572.7 million in the period, driven by a strong \$437.5 million showing from its transponder services business and growing North American demand. Managed services grew more than 25% to \$73.8 million while mobile satellite operations improved by a similar margin to \$24 million. But legacy channel services dipped \$6.2 million to \$37.4 million due in part to the migration of point-to-point satellite traffic to undersea fiber links.

Investor relations head Dianne VanBeber told CommsDay the performance was positive discounting one-time charges. "We are owned by private equity and therefore are not net income-oriented but measure performance based on Adjusted EBITDA, which was up 17% to \$457 million, or 80% of our revenue. We were acquired by a private equity group led by BC Partners and Silver Lake in February of this year, and thus first quarter results were impacted by \$313 million in restructuring costs," she said. "We consider the company to be recession resistant due to the highly diversified nature of our business across regions and customer sets."

Intelsat is slated to launch its first satellite of the year next week. The Galaxy 18 craft replaces the Galaxy 10R over North America. The company expects to spend up to \$500 million this year in capital investment.

Patrick Neighly

Thailand call centers to jump 15%?

Bangkok-based call-centre consultancy and training provider TalkTime Asia has forecasted that the number of Thailand call centers will jump to 397 this year, up 15 percent up from 317 last year, according to MD Deirdre Hutchinson.

According to Hutchinson, the call center industry in Thailand had grown by at least 15 percent a

COMMSDAY ASEAN

Editor in Chief & Publisher: Grahame Lynch
CommsDay ASEAN inc. Global
is published by Decisive Publishing

Decisive Mail

PO Box A191 Sydney South NSW 1235
AUSTRALIA.

Decisive Fax: +612 9261 5434

Decisive Internet: www.commsday.com

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year in terms of agent seats, a trend likely to be sustained by new outsource vendors entering the market and the growth of outbound telemarketing and telesales centres.

She said outbound call centre services or telemarketing were booming, particularly among insurance, finance and banking businesses.

TalkTime Asia must select customers because it has limited human resources and has problems retaining staff, said the Bangkok Post. "This is not our problem alone, but is also a big problem of this business in Thailand. The call-centre career is a stepping stone for young graduates before moving on to other careers," she said.

The company plans to open its outbound service with 60 seats next month, to increase to 200 seats by the end of the year. Pimpaka said all the 60 new seats had been booked already under a three-year term of agreement. She added that this business had little competition and as far as she knew, TalkTime Asia may be the only direct expert in this business in Thailand.

"At that time, Thailand had only 165 call centres. We wanted to upgrade the standards of the Thai call centres," Hutchinson said.

However, she said that the difficulty in serving the outsourcing offshore market from Thailand is mainly due to the lack of English-language proficiency of the staff.

Pamela Perez

DTAC bargains 3G upgrade with CAT

Thailand's no 2 cellco DTAC has set up a bargain agreement with CAT Telecom for permission to upgrade its existing network to 3G and in exchange it would resume using the state telecom enterprise's international direct dialling gateways, reported the Bangkok Post. DTAC plans to upgrade its analogue 850 MHz frequency to HSDPA under a scheme worth about US\$154,000, pending CAT approval.

Brekke said DTAC was pleased to help CAT on IDD by rerouting its international traffic. However, CAT needed to provide the same rates offered to existing foreign operators so as not to hurt the Thai company's business. "We agreed to stop running our IDD on our own gateway if CAT will quickly approve us to upgrade the network," he said.

CEO Sigve Brekke said DTAC had agreed tentatively with CAT on a give-and-take proposal with three components: resuming the use of IDD gateways in exchange for approval of network upgrading; allocating some bandwidth on the 800 MHz frequency to third-ranked True Move; and co-marketing and advertising with CAT Telecom, said the report.

Moreover, Brekke said DTAC was willing to freely allocate 5-7 MHz to True Move which would be enough for the third-ranked mobile operator to provide 3G services. True Move is seen to be in the weakest position as it could face potentially lengthy talks with its concession holder CAT Telecom. "We like competition," he said. "We want to help True Move ... have the frequencies to catch up with bigger rivals in the 3G race."

According to Brekke, if the CAT board approved the company's proposal at its meeting today, the company would submit it to the National Telecommunications Commission.

"Following the approval process, we expect to launch 3G services in Bangkok, Chon Buri and Phuket by the second half of this year," he said.



Pamela Perez

Icahn enlists Mark Cuban on Yahoo putsch

Carl Icahn launched a proxy battle to replace the Yahoo board—and lists among his nominees showboat investor Mark Cuban.

Icahn yesterday confirmed he purchased 59 million Yahoo shares to support his nomination of 10 replacement board members including himself and former Viacom CEO Frank Biondi Jr. The entire Yahoo slate is up for reelection and Icahn said he intends to replace it with one open to a Microsoft sale.

In an open letter to Yahoo chairman Roy Bostock, Icahn claims to have been spurred to action by disgruntled Yahoo shareholders distressed at an irrational board that walked away from a \$33 per share takeover offer. "It is irresponsible to hide behind management's more than overly opti-

mistic financial forecasts. It is unconscionable that you have not allowed your shareholders to choose to accept an offer that represented a 72% premium over Yahoo's closing price of \$19.18 on the day before the initial Microsoft offer. I and many of your shareholders strongly believe that a combination between Yahoo and Microsoft would form a dynamic company and more importantly would be a force strong enough to compete with Google on the Internet."

The broadside was quickly joined by hedge fund Paulson & Co, which snapped up 50 million shares with the intention of voting for Icahn's nominees.

COUNTERATTACK: Bostock countered with an open letter of his own, blasting Icahn for his "significant misunderstanding" of negotiations the controversial investor was not present for. "We do not believe it is in the best interests of Yahoo stockholders to allow you and your hand-picked nominees to take control of Yahoo for the express purpose of trying to force a sale of Yahoo to a formerly interested buyer who has publicly stated that they have moved on," he sniped.

Bostock said the Yahoo board met nearly two dozen times to ensure every aspect of the takeover was considered and voted to reject the offer only after consulting with investors and advisors. Furthermore, he said, Microsoft balked at providing answers to key non-price questions such as its plan to navigate the inevitable antitrust concerns that would arise in the event of a union. Bostock pointed to 1Q earnings as evidence Yahoo is moving forward under good leadership but said the company remains open to resuming talks at its \$37 per share target price.

"Please may I remind you that there is currently no acquisition offer on the table from that company or any other party. That said, we have been crystal clear in our stance that we have been and remain willing to consider any proposal from any party including Microsoft if it offers our stockholders full and certain value."

YAHOO STILL PUSHING FORWARD: Yahoo continues to move forward as though the Microsoft issue was settled. The portal on Friday signed marketing firm WPP Group to its online ad exchange. The agreement calls for WPP unit 24/7 Real Media to develop an ad media trading platform for use on the Yahoo Right Media exchange. The pair will also jointly craft a unique marketplace for WPP ad agencies to better sort through potential ad spots across the Internet and determine strategy. "More and more, we see the need for agencies and media and technology companies to work together to create a new level of value," explained WPP Digital CEO Mark Read. The new marketplace will also be open to third party publishers and draw inventory from Yahoo affiliate networks and the 24/7 Global Web Alliance.

Patrick Neighly

RIM to resolve BlackBerry squabble in weeks

Research In Motion will resolve its Indian BlackBerry squabble within a matter of weeks, according to telecom minister Andimuthu Raja.

"RIM has promised the government that they will come out with a solution in a month," he told reporters. Indian officials had previously threatened to shut down BlackBerry services at four operators unless RIM established local servers and permitted security officials to intercept and trace email sent through its handsets.

RIM told CommsDay it was mindful of Indian concerns but declined to say how or even if it would address them. "RIM operates in more than 130 countries around the world and respects the regulatory requirements of governments. RIM does not comment on confidential regulatory matters or speculation on such matters in any given country," the company said in an emailed statement.

TOUCH MODEL: RIM is developing an iPhone competitor dubbed Thunder. The Wall Street Journal claims to have verified longstanding speculation an touchscreen BlackBerry was in the works but offered no further details.

Comcast, StarHub throttling BitTorrent to over half their subs, claims expert

Comcast routinely cuts the BitTorrent connections of more than half its subscribers despite claiming otherwise in testimony before the US Federal Communications Commission. So says the Max Planck Institute, which yesterday published the results of its international probe of torrent connectivity. The organization said deployment of a traffic analysis tool across 8,175 nodes discovered

Comcast impedes P2P traffic in 62% of cases.

The blocking effort is largely uniform no matter the hour, a fact the Institute said runs counter to Comcast claims it only employs traffic shaping in response to peak network conditions. Comcast rival Cox Communications and Singapore ISP StarHub were also identified as major offenders and each throttles at least half of their torrent traffic. StarHub blocks 57% of such links while Cox hampers fully half, according to Institute figures.

“We found widespread blocking of BitTorrent transfers only in the US and Singapore. Interestingly, even within these countries, most of the hosts that observed blocking belonged to a few large ISPs,” the Institute said in its report. “Both in the US and in Singapore, all hosts that suffered BitTorrent blocking are located in cable ISPs. We did not see any blocking of BitTorrent transfers from DSL hosts in these countries. Most (573 of 599) US hosts that observed blocking are located in Comcast and Cox networks. In Singapore, all blocked hosts are connected using the StarHub network.”

Free Press policy director Ben Scott said the tests show cable operators remain untrustworthy even in the face of federal investigation. “Consumers have no reason left to trust their cable company,” he said. “This independent study confirms that Comcast is still blocking its customers from using popular applications -- despite the FCC's investigation and widespread public outrage. And worse, the harmful practice appears to be spreading through the marketplace.”

Comcast declined to comment on the report.

COMCAST BUYS PLAXO: Comcast has snapped up social network partner Plaxo. The US cable operator is believed to have paid up to \$170 million for the company, which already serves as a universal address book for Comcast SmartZone subscribers and which could serve as the basis for a mainstream social network accessed via members' televisions.

Comcast has aggressively moved on the Internet space in the last year, acquiring interactive movie listings service Fandango and TV portal Fancast. The company will operate Plaxo as an independent unit within its Interactive Media division.

“Comcast has an exciting vision to bring the social media experience to mainstream consumers,” Plaxo enthused in a blog post. “Together, we will be able to help users connect with all the people they care about, across all of the devices they use, with all the media they love to consume, create, and share. This is also great news for the Internet industry at large, where Plaxo has been - and will continue to be - a strong advocate for opening up the social Web.”

Patrick Neighly

SOFTBANK, ALIBABA JV

Japanese operator Softbank and Chinese portal Alibaba have formed a joint venture to serve as a trading clearinghouse for small businesses in the two markets. Softbank has invested \$20 million for a 65% stake in the Alibaba.com Japan venture, with Alibaba holding the remaining 35% stake. In a statement, Alibaba chairman Jack Ma said the initiative would “provide Japanese businesses with the most comprehensive database of suppliers available online today from China and around the world.” China is Japan's largest trading partner.

ERICSSON WINS SINGTEL DEAL

Ericsson won a US\$160m deal to expand and enhance SingTel's Singapore GSM/WCDMA/HSPA networks. Ericsson said it will provide a complete IP-based radio access and common core network while the existing HSPA network will be upgraded to offer download speeds of up to 14.4Mbps (from the current 3.6Mbps) and upload speeds of 5.76Mbps (currently 384kbps). The operator's network will expand to more than 2800 base stations by April 2009.

COMMSDAY MELBOURNE CONGRESS

September 30-October 1 2008 Langham Hotel, Melbourne

Day 1: Tuesday September 30 2008

Broadband Futures Day

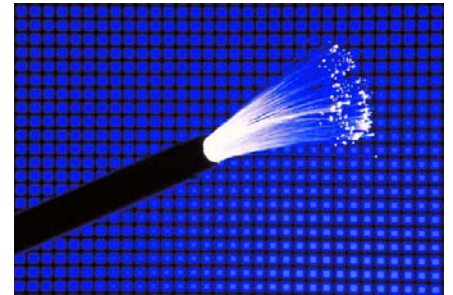
Australia is currently well advanced in the process of selecting a winner for the right to build a FTTN network. But this process is only the beginning. What is the future for the VDSL-standard services that will be available over this network? What upgrade paths are on the horizon and how will this manifest in the market place? How important will FTTH be in the overall mix of access delivery?

At the same time, HFC networks are preparing to make the jump to DOCSIS 3.0 standards which may elevate speeds to 160Mbps and beyond. How will this interplay with FTTN? And what are the new developments in wireless technologies that will see speeds rise to 40Mbps within 2 years? LTE? WiMAX? UltraMobile Broadband?

This one-day event will bring together leading technologists and futurists from around Australia, Asia and the world to consider the future of broadband technologies.

Among the technologies being considered:

- FTTN and FTTH, VDSL and more
- DOCSIS 3.0 and powerline
- HSPA+, LTE and WiMAX



Day 2: Wednesday October 1 2008

Green Telecom Asia Pacific

Telecom operators the world over are recognising that going green is not only responsible behaviour, but good for the bottom line.

This first-time event for telecom professionals will cover the full gamut of issues where telecommunications and sustainable environmental practices intersect. Green Telecom Asia Pacific will feature case studies from carriers, equipment vendors, regulators and marketers that will assist you to harness the green revolution for the benefit of your bottom line.

Among the topics being discussed:

- How green procurement policies might impact your sales performance
- How to market “green” products and services and how to stay within the law
- How green technology can save you operating expenses
- How adoption of high-speed broadband can improve the environment
- Case studies on “green” data centres and telecom campuses

These two events form part of CommsDay’s Melbourne Congress, destined to become the largest telecom event held outside of Sydney in Australia. CommsDay is Australia’s leading telecom news source, published daily since 1994.

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COMMUNICATIONS DAY

green telecom
The path to sustainable telecommunications practices

> IBM study shows move to more CSR investment

> ZTE wins prestigious green award

MAY 19 2008: Green Telecom is a supplement to all CommsDay regional editions that highlights the move towards sustainable use of telecoms products and services. Editor: Tony Chan at tony@commsdaymail.com
More information can be found at <http://www.greentelecomlive.com>

Nokia Siemens Networks outlines energy efficiency focus of new kit

Green Telecom: What is Nokia Siemens Networks doing the environmental front?

Anne Larilahti: We have focus on reducing the energy consumption across the mobile networks. That has been very much a focus. We have different software features and technologies helping us there. We have something called the smart radio concept that lets you reduce the number of sites.

One very exciting product, I think, is multi-operator RAN, that allows operators to share networks, share their radio access equipment. Intrinsicly, it tells you that it's going to save a lot of energy and it's going to save a lot of materials – when you build one network as opposed to every operator building their own.

That is the first thing we are looking into – the network level energy efficiency. The second is at the site level. If we look at typical indoor site, for example, 50% of the energy consumed there comes from air conditioning. That's a huge power consumer there. What we have done there: Our equipment runs in 40 degrees, as opposed to the 25 degrees that requires air conditioning. Hopefully, you can take away the air-conditioning, or at least limit its use to a few days a year. In indoor spaces, you can basically take it (air-conditioning) out, and replace it with free air flow cooling, which doesn't really consume anything.

So your equipment can now run at 40 degrees instead of 25 degrees?

Yes. Many of the sites today are still running at 25 degrees even if they didn't have to. There's the safety buffer for no particular reason. Now from the field experience, we know that we can go up to 40 (degrees) with no change in the product life time or reliability.

Then if we look at the BTS equipment itself, things can be done with software. We have a solution, for example, for shutting down some of the TRXs (transceivers) during the night when there is no heavy traffic. The site is running almost on idle, it is still looking around and when someone wants to make a call, they can make a call, but it is design for coverage at night. Only when there is a certain peak, if there is, say the Olympics in China – I expect that the night time is also going to be busy, then you have to be able to accommodate that. But during the normal night, it will run down, it will monitor the situation, if there is a sudden peak, it will raise itself up. So that would be one example of things you can do with software.

If we look at the base station and the equipment itself, our Flexi base station uses a lot less energy, so if we are looking at the Flexi today for GSM, it uses 800W, and WCDMA is 500W. Those are already pretty small numbers and we have already stated targets for 2010, of 650W for GSM and 300W for WCDMA. That's clearly the market leading product in regards of energy efficiency. And if we look at the size and eco-efficiency, if you've seen one, you can see clearly the difference, where the tradi-



Interview with Anne Larilahti,
Head of Environmentally Sustainable
Business, Nokia Siemens Networks

tional BTS is about the size of a small fridge, while the Flexi is the size of a carry-on luggage. It is something that you don't need cranes or anything to install. You just pick it up and carry it up.

Another huge thing, environmentally there, is that you can use existing structures for mounting Flexi, so you don't necessarily have to build a new tower. For example you can use a power tower, or a bridge, or mounted it on the wall, or a pole, so it is sort of a lighter touch on the environment in that way as well.

And there of course, there's the material efficiency. We've calculated and it is about 80% smaller than a traditional BTS, so it is 80% less material, which pretty much directly translates to logistics as well, therefore, all logistics will be going down 80%, so less trucks on the road, which is always a good thing. Those are pretty much the things that we are doing in energy efficiency in radio networks – the network level, the site level and the product level energy efficiency. You have to look at all these things to really come up with a total solution.

Has NSN done a study on the energy savings of a network build with all these energy efficiency solutions, compared to a traditional network?

Yes. Overall, if you transfer from older equipment to Flexi and deploy all the software features and so on, it will come down by 70%. We have an assumption for a large city like Beijing with about 5,000 base stations and 30 million subscribers at the moment. If all this was supported by Flexi equipment, we would save 86 GWh of electricity, which is equal to annual emissions of 25,000 cars. The CO2 number is 73 kilo tonnes.

Are you also addressing, or is there a demand, in the replacement market – for operators just looking to be more energy efficient?

Absolutely. That is why we are trying to tackle that primarily with the ambient temperature issue and the software. It's not very environmentally friendly either if you just swap out fairly new equipment. When there is a business case for swapping in new equipment, then of course, it should be as energy efficient as possible. But it is more important in the short term to make the install base more efficient.

Is this is a growing market for NSN?

It is a growing part of the business. I think the whole environmental issue is fairly new for the operators. It is growing for environmental reasons, but also for cost reasons, because every time you save CO2, you save money as well. It's really expensive for operators, because every time you let CO2 into the air, you have to pay for it already. That way, it is an integral part of our business as usual, in that we calculate the environmental impact along with the financial impact. These solutions offer operators a much lower operating expenditure.

From your experience with operators, is everyone looking at these issues, or is it just some operators in Europe because of carbon policies within the EU? Are you seeing the same response from operators in, say, India and China?

China certainly. It is getting very, very active on the environmental front and our customers there have high demand on us that we need to be environmentally-friendly. The energy issue in general is global because of the financial implications. You are absolutely right in that in Europe, environmental issues are rated the highest in addition to China. But for financial reasons, every operator is looking at energy efficiency right now. Diesel, and fossil fuel in general, price fluctuations are making operators' life quite difficult because it is very hard to predict you operational expenditure because you don't know how much energy is going to cost. So everybody is looking at it.

CEOs to increase CSR investment by 25%: new study

CEOs from around the world and across diverse industries plan to increase corporate social responsibility (CSR) investments significantly over the next three years, according to a new global survey by IBM. The study, titled "The Enterprise of the Future" was conducted by IBM Global Business Services in conjunction with the Economist Intelligence Unit and involved face-to-face interviews with 1,130

CEOs from 40 countries across 32 industries.

According to the survey, CEOs plan to increase investment in corporate social responsibility initiatives by 25% over the next three years to better understand the demands of increasingly “socially-minded” customers, the largest percentage increase of any trend identified in the study.

CEOs agreed that customer expectations around corporate social responsibility are increasing, and that CSR will play an important role in differentiating an enterprise in the future. Customers are coalescing around organisations’ CSR profile – including, but not limited to “green” initiatives -- and are increasingly demanding socially-minded products, services and even supply chains.

CEOs also indicated that while customers have always cared about societal issues, those concerns are now more frequently turning into action as the more socially aware customer evaluates an enterprise’s CSR profile before making purchasing decisions.

At the same time, the survey’s respondents also considered the CSR reputations of their corporations as an important tool to attract and retain employees. They are also recognising that their organizations are being held mutually accountable, along with the public sector, for the socioeconomic well-being of the regions in which they operate.

INFORMATION OMNIVORES: Another key trend identified by the study is the rise of so-called Information Omnivores, representing customers who crave all types of information and often broadcasts its views and expectations worldwide via the Internet.

“These customers are swapping passive roles for much deeper involvement. ‘Consumers’ are becoming ‘producers,’ often creating entertainment and advertising content for their peers, while demanding flexibility and responsiveness from companies with whom they choose to do business,” the study found. “Although these customers are more demanding, the majority of CEOs do not see them as a threat, but as an opportunity for differentiation based on meeting the heightened expectations of this group, and capitalizing on new market opportunities that will emerge.”

Overall CEOs are planning a 22 percent increase in investments in the next three years to serve these more sophisticated and demanding customers.

The investment is even more pronounced among financial out-performers. CEOs of firms with higher net profit margin growth indicate that investments targeted at information omnivores will increase 36 percent over the next three years. The majority of these new investments will be dedicated to new operational capabilities that improve collaboration and product innovation, and that are more oriented to transparency and tailored to specific market segments.

According to IBM, the study also found that while increasing CEO concern about environmental issues has doubled over the past four years globally, this concern is not evenly distributed worldwide. Asia Pacific and European CEOs lead the world in focusing on environmental issues, followed by the Americas.

Overall, the CEOs see opportunities in CSR and are using it for their competitive advantage. They indicated that CSR is critical to maintaining current market share.

ZTE DSLAM wins Best Green Innovation award

China’s ZTE’s Broadband Universal Access System has been awarded the Best Green Innovation award at Convergence World 2008 at SOFTNET in London, UK.

“Operators are becoming increasingly aware of their responsibility towards the environment,” said Zhang Xinyu, director, global market, fixed network management team at ZTE. “ZTE’s DSLAM solution enables broadband providers to radically reduce their carbon footprint.”

ZTE’s 9806H supports up to 96 ADSL2+ lines or 64 VDSL2 lines in a 2U rack and is designed to be situated near the customers’ location, connect-



ing multiple DSLs links to a high-speed fibre backbone using multiplexing techniques.

By equipping its DSLAM solution with a passive optical network (PON) uplink card, ZTE has reduced the amount of fibre required – when compared to traditional, point-to-point Ethernet architectures – allowing operators to serve multiple premises using a single optical fibre cable. According to the company, its solution enables broadband operators to significantly limit their power consumption, achieving substantial cost savings and a reduced carbon footprint.

The Converged World 2008 Awards describes the ZXDSL 9806H as a mini DSLAM from ZTE's next generation IP-DSLAM product portfolio that has been designed to offer a solution to build next generation broadband network.

“This Multi Dwelling Equipment (MDU) can be equipped with different types of uplink cards such as EPON, GPON and Ethernet. Especially for brown field sites the use of PON could save significantly on digging and trenching tasks,” the Awards description continues. “Some operator feedback during lab trials places ZTE ZXDSL 9806H as the best in class in power consumption. ZXDSL 9806H overreaches the European code of conduct on energy consumption for broadband equipment from a power consumption stand point offering up to 40% power consumption savings per port. This not only allows this equipment to be green by limiting power consumption but also offers additional OPEX savings to the operator.”

Virtual office can make good sense with planning – Gartner

While the implementation of teleworking programs have proven to be one of the key initiatives for reducing an organizations carbon footprint, establishing a successful virtual office program requires careful planning to ensure employee support and allay lost-of-control fears, says research house, Gartner.

According to Gartner, 41.4 million corporate employees globally are expected to spend at least one day a week in 2008 working from home, which has the potential to increase productivity by reducing travel time while eliminating the emissions caused by transportation used to get to the office.

British Telecom, for example, has over 13,000 home-based employees, who work at home an average of 2.1 days per week, which help reduce the operator's travel-related CO2 emissions by 3,663 tonnes per year, equivalent to 0.5% of its total emission for 2007.

“Once a company decides to transition from a traditional physical office environment to a virtual one, a business case should be prepared that presents potential benefits for both the enterprise and its employees,” said Andrew Walker, research director for Gartner CIO Research Group. “Most enterprises don't have a formal plan for virtual office environments and usually support the concept on an ad hoc basis, mostly at manager discretion. Such informal arrangements don't realize the advantages of recruitment branding and a well-planned transition. A more formal approach demonstrates to new recruits that the enterprise is willing to make a long-term commitment to work/life balance, which is key to employee satisfaction and retention.”

BENEFITS: When conducted effectively, virtual working becomes a source of productivity benefits that can be passed along as returns to shareholders. More work gets done and savings occur because of reductions in office accommodation costs and other expenditures, Gartner says.

The research house recommends that enterprise looking to introduce a teleworking policy start with a pilot program backed by a business case, which should include a formal teleworking policy that clarifies expectations regarding conduct of teleworkers and the support that will be made available to them.

“The pilot helps reduce resistance to the virtual office. If the outcomes are positive, and there is no need to extend the pilot to prove the point further, the benefits can be shown to resistors in other parts of the enterprise,” said Walker. “The end of the pilot and confirmation of the first stage of the virtual office plants the seed that the virtual office concept is here to stay. Thus, the virtual office concept can spread even under the most challenging circumstances.”

AUSTRALIAN CEBIT TO BE CARBON NEUTRAL: Saasu, a provider of Software as a Service (SaaS) solutions, has signed up as the Green Standard Carbon Credits sponsor for CeBit Australia. The company will purchase climate friendly high value offsets that meet the WWF's gold standard to cover 2007 metered energy consumption on the assumption that efficiencies will match or exceed growth for the year. CeBIT Australia 2008 runs from May 20-22 at the Sydney Convention and Exhibition Centre at Darling Harbour