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TRANSMISSION MONTHLY

1. COMPARISON SHOPPING PLATFORM PRICEDEKHO.COM OFFICIALLY LAUNCHED.

Recently Girnar Retail Pvt. Ltd. announced the official launch of PriceDekho.com a product comparison-shopping platform for Indian buyers. With PriceDekho.com, users can compare product features & price; ask for other users' opinion about a certain product, and then make well-informed buying decisions for a wide variety of products from various local as well as global vendors.

2. TELCOS PROVIDE INTERCEPT FACILITIES FOR BLACKBERRY

Major telcos in the country have agreed to provide real-time intercept facilities to the country's security agencies for BlackBerry smartphones as directed by the DoT. The telecom department had set a deadline for this which ended on Tuesday.

3. RCOM SEEKS SIGNIFICANT CUT IN THE BASE PRICE OF CDMA

The telecom major RCom has sought a significant cut in the base price of CDMA airwaves in the upcoming auction citing deactivation of its 15-million subscribers who did not use their phones for more than two months.

4. AAKASH 3

The third version of the world's cheapest tablet *Aakash* is likely to have a SIM-card slot, along with certain other useful applications, for using the Internet on the go. About 5-million *Aakash 3* tablets are expected to be launched in the next phase.

5. BHARTI INFRATEL SHARES FALL 13% DURING DEBUT

BhartiInfratel commenced public trading on the Bombay Stock Exchange on Friday, after completing a 41.7 billion rupee (\$762.6 million) IPO on December 17. But it has been a bumpy debut, with the share price falling a sharp 13% on the first day of trading.

6. LGE ASKS COURT TO BAN SAMSUNG TABLET IN SK

LG Electronics has fired a legal salvo seeking to ban sales of Samsung's Galaxy Note 10.1 in South Korea. LGE is accusing Samsung of infringing on three LCD patents with the design of tablet's display.

7. CHINA TO ADD 100M 3G SUBS THIS YEAR: MIIT

China's ICT ministry has predicted that the nation's mobile operators to add 100 million 3G subs and 25 million broadband users in 2013.

8. AIRCEL TO FOCUS EFFORTS ON STRONGEST CIRCLES.

Indian mobile operator Aircel's CMO has laid out plans to start focusing its efforts on the telecom circles where it has the largest customer bases and strongest growth prospects including Tamil Nadu, Jammu and Kashmir and Northeast – rather than continuing with its pan-India strategy

9. AIRTEL LAUNCHES MEDUCATION SERVICES

On Wednesday, BhartiAirtel announced the launch of mEducation, its mobile-based education services. The mEducation services will preparation and career counseling on their mobile phones.

1. RIM Aims To Make Big Impact With BB10. The launch of BlackBerry 10 (BB10), the Research In Motion Ltd. (RIM). RIM's much awaited device series, is round the corner. The device, which is expected to be launched on January 30, 2013, will make – or break – the fortunes of the company in a highly competitive smartphone market.

RIM was once considered a dominating player in the enterprise smartphone space, but the Canadian company has been losing its market-share and revenue because of the rising popularity of Android devices and Apple Inc.'s iOS. Even in India, its market-share plummeted from 18 percent to 12 percent between November 2011 and June 2012, signaling testing times for the company.

10. TRAI FAVOURS CHANGE IN CROSS-HOLDING NORMS LINKING TO SPECTRUM, NOT LICENCE

The Telecom Regulatory Authority of India (Trai) on Wednesday issued recommendations on unified license regime and suggested that substantial equity or cross-holding requirement should be linked to the amount of spectrum held by companies.

The regulator added that since spectrum was no longer linked to license, there was no requirement of keeping cross in the unified license and that this condition should be included in the wireless operating license (WOL) agreement.

11. TELCOS TO FORK OUT MORE THAN RS 20,000 CR AS ONE-TIME FEE.

GSM telcos are set to fork out more than Rs 20,000 crore as one-time fee for holding spectrum beyond 4.4 MHz

In an order issued on December 28, the Department of Telecommunication (DoT) has said that the one-time fee would be effective from January 1, 2013, and operators who do not wish to pay the change should surrender spectrum beyond 4.4 MHz

However, almost half of the total one-time fee is supposed to come from the state-run operators Bharat Sanchar Nigam Ltd (BSNL) and Mahanagar Telephone Nigam Ltd (MTNL), which the government might have to adjust against other payments.

The government has calculated the one-time fee based on the November auction. But one-time fee calculated for Delhi, Mumbai, Rajasthan and Karnataka are provisional as these four circles did not receive any bidders in the November auction.

The government will finalize the one-time fee for the four telecom zones once prices for these circles are determined through auction. The government will conduct a fresh round of auction for the four circles by March at a revised base price which is 30 per cent lower than the base price set during the November auction.

One-time fee for the 900 MHz spectrum will also be adjusted once auctions are conducted and prices are discovered. Incumbent operators will have to pay a one-time fee for spectrum beyond 4.4 MHz in the GSM band and 2.5 MHz for CDMA prospectively. But for spectrum beyond 6.2 MHz, they would have to pay retrospectively from July 2008.

The government, however, has given an option for the telcos to pay the fee in equal installments for the balance period of their licenses with an interest rate of 9.75 per cent, or they can pay upfront

12. EGOM TO PUT 34 BLOCKS OF LIBERALISED SPECTRUM UP FOR NEXT AUCTION

The empowered group of ministers (EGoM) on telecom, headed by Finance Minister P Chidambaram, is likely to put 34 blocks in the liberalized 900-MHz band up for auction in the Delhi, Mumbai and Kolkata circles.

The blocks, of 1.25 MHz each, would be sold in the next round of auctions, to be held by March this year. This would ensure at least 5 MHz, or four blocks of 1.25 MHz each, for a new entrant.

Liberalized spectrum is the radiowaves won in an auction and can be used to offer any service. The spectrum telcos currently have is the so-called administered spectrum that can be used only for a certain service using a certain technology.

According to telecom analysts, the move could attract bids from companies like Reliance Infotel, which has already bought spectrum in the 2,300-MHz band. Owned by Mukesh Ambani-led Reliance Industries, the company has announced plans to roll out fourth-generation (4G) services this year.

The 900-MHz band is considered more efficient for high-speed data services. The lower the frequency of a radiowave band, the higher the signal strength and reach. This means fewer base stations and towers would be needed. Companies providing WiMax services would also be interested in the liberalized 900-MHz band.

13. SSTL TO KEEP OPERATING AFTER LICENSES PULLED

India's Sistema Shyam Teleservices has pledged to continue operating after January 18, the date its 2G operating licenses are due to be cancelled following the court decision

17. AIRTEL'S TOP EXECUTIVE LEAVES FOR HIS OWN STARTUP

BhartiAirtel Ltd. 's Chief of Network Operations, Shankar Halder, has left the company to start his own technology consultancy firm.

In the last 10 years, Halder has worked with Airtel in many roles in mobility, fixed and broadband, media and technology strategy. He has been involved in multiple network transformation projects spread across access, transport and core.

This is the second high-profile departure in Airtel in less than two months. Airtel's Director - Information Technology, Amrita Gangotra, also quit the company about two months back.

18. APPLE APP STORE CROSSES 40 BILLION APP DOWNLOADS

Apple announced that it has seen over 40 billion app downloads (excluding re-downloads and updates), with nearly 20 billion in 2012 alone. Currently the App Store has over 500 million active accounts. Apple also had a record-breaking December with over two billion downloads during the month.

19. BBNL TO ISSUE TENDERS FOR GPON, OFC

The government's Special Purpose Vehicle (SPV), Bharat Broadband Network Ltd (BBNL) plans to issue a number of tenders all through the year to accomplish its target to connect 2.5-lakh panchayats by 2014. (See India Set for Fiber Fever.)

"We would be soon issuing tenders for optical fiber, GPON equipment and for the execution part. Centralized tenders would be issued for optical fiber and GPON equipment but de-centralized tenders would be issued for the execution part," Director (Operations) of BBNL, AK Bhargava told *Light Reading India*.

The company would be working closely with the Centre for Development of Telematics (C-DOT) for project implementation. C-DOT has indigenously designed and developed a Gigabit Passive Optical Network (GPON) technology which would be used for the implementation of this project. It is for this reason that BBNL is now based out of C-DOT's campus on the outskirts of Delhi. BBNL's Network Operations Center (NOC) would also be based at the C-DOT's campus.

BBNL has already procured the Right of Way (ROW) from 16 states and Union Territories, while discussions with remaining states are on.

The SPV was formed about a year back by the Government of India for establishment, management and operation of the National Optical Fiber Network to provide connectivity to 250,000 gram-panchayats in the country. The company plans to recruit 100 officials soon who would be spread across the country.

After a tough last year, vendors would be looking forward to the tenders likely to be issued by BBNL during the year.

20. DOT APPROACHES SUPREME COURT FOR LICENSE EXTENSION

DoT has filed an affidavit in the Supreme Court seeking an extension of the 2G license period for telcos whose licenses were quashed following a Supreme Court judgment, till the completion of the second-round of auctions in March this year. The players, however, would be charged for spectrum from January 19.

21. MINISTERS ON SPECTRUM RECOMMEND UP TO 50% CUT IN THE RESERVE PRICE FOR AIRWAVES USED FOR CDMA-BASED MOBILE SERVICES

A panel of ministers on spectrum on Monday recommended up to a 50% cut in the reserve price for airwaves used for CDMA-based mobile services and approved a plan to start the next round of spectrum auctions from March 11, a telecom department official said.

The Empowered Group of Ministers on spectrum, headed by Finance Minister P Chidambaram, has asked the Cabinet to take a final call on a 30-50% reduction in the base price for airwaves in the 800 MHz band, the official quoted above added. No CDMA telecom operator participated in the spectrum auctions in November, wherein the reserve price for airwaves in the 800 MHz band was set at 1.3 times that for GSM airwaves.

22. TELECOM STOCKS STEADY IN WEAK MARKET; IDEA HITS FOUR-YEAR HIGH.

Telecom shares such as BhartiAirtel, Idea Cellular and Reliance Communications were steady in a weak market on Tuesday after a panel of ministers on spectrum recommended up to a 50% cut in the reserve price for airwaves used for CDMA-based mobile services. All the major telecom stocks were trading higher in an overall weak market. Idea Cellular surged nearly 2 per cent to hit its four-year high of Rs 112.35. The stock was trading 1.8 per cent higher at Rs 111.50, at 12:48 pm.

23. AFTER AIRTEL, VODAFONE HIKES 2G DATA RATES BY 30%

Consumers will now have to pay up to 30 per cent extra for data services as leading telecom players BhartiAirtel and Vodafone are hiking tariffs and others may soon follow suit.

BhartiAirtel recently increased 2G data rates and rivals are expected to take similar steps to cover costs and improve margins, said industry officials. Airtel recently revised its 1GB 2G data plan from Rs 100 to Rs 125.

"This nominal price revision is subject to rate elasticity, customer demand and supporting cost structures. Our recent revision...is an increase of only 2-3 paise per MB. It continues to be an excellent value proposition for our customers," an Airtel spokesperson said.

Vodafone too has made similar changes in the monthly plans and has reduced data limits available under various prepaid plans.

While the Rs 95 plan (28 days validity) is now available for Rs 124, others plans allowing 250 MB data usage and 150 MB usage have been reduced to 150 MB and 100MB, respectively.

24. MOBILE PHONE COMPANIES MOVE COURT AS TELECOM DEPARTMENT ISSUES NOTICE TO PAY ONE TIME FEE ON EXISTING AIRWAVE.

Mobile phone companies are set to drag the government to court after the telecom department issued notices to all operators this week directing them to pay a one-time on the existing airwaves they hold. ETRecently reported that the telecom department (DoT) had already informed all GSM mobile companies about its decision to impose a one-time airwaves charge, both prospectively and retrospectively, which would come into effect from January 1.

"The notices have come. Individual operators will be moving the court soon on this," said Rajan Mathews, director-general of the Cellular Operators Association of India, the industry body representing GSM operators.

Executives with leading operators also confirmed that they were readying their legal challenges, a move that is set to add to the uncertainty prevailing in this litigation-prone sector. In November, the Cabinet had cleared the proposal to impose a one-time airwaves charge on GSM-based operators, a move that will force the industry to shell out a minimum of Rs 24,989 crore.

25. VISA CLAIMS MOBILE PAYMENT SERVICE STIFLED BY TELECOM OPERATORS, REFUSE TO OFFER USSD ACCESS

Electronic payment enabler Visa has claimed that its mobile payments service has been stifled by telecom operators in India that have refused to offer USSD access, a secure text message-based interactive system that the company wants to use as the backbone for its mobile banking services.

Visa has alleged that mobile phone companies on the GSM platform have selectively offered USSD to a few banks while refusing it to Visa since its mobile banking service would compete with the ones offered by telecom operators such as Bharti Airtel's Airtel Money and Vodafone's m-Paisa.

USSD, or Unstructured Supplementary Service Data, is a menu-based system that enables customers to interact with content-based services. A USSD menu acts as a browser to pull content to the phone without requiring an internet or GPRS connection. USSD is commonly used by prepaid subscribers to check their balance. It is more secure than SMS and is available on the cheapest of mobile phones.

26. FINANCE MINISTRY IS WORKING TOWARDS AMICABLE RESOLUTION OF VODAFONE CASE

The Finance Ministry is working towards an amicable resolution of the retrospective tax amendment issue that could provide some relief to British telecom giant Vodafone, which is facing a tax liability of Rs 11,200 crore.

The proposals, to be based on the recommendations of the Shome panel, are likely to be introduced in the Finance Bill to be presented by Finance Minister P Chidambaram in the Budget for 2012-13.

"The government is constantly addressing concerns of investors. There will be amicable resolution of the issue (Vodafone tax case) in the Budget," a top Finance Ministry official told PTI.

27. AIRTEL, VODAFONE ASKED TO PAY RS 3,800 CRORE AS ONE-TIME SPECTRUM FEE IN JANUARY

Department of Telecommunications in its demand notice has asked telecom majors Airtel and Vodafone to pay around Rs 3,800 crore as one-time spectrum fee during this month.

According to sources, DoT has given Airtel the option of paying Rs 1,758.07 crore this month as first installment from the total amount of Rs 5,201.24 crore levied on the company as one-time spectrum charge for additional and excess spectrum it holds. Similarly, DoT has given Vodafone the option of paying Rs 2,093.61 crore as first installment, out of total of about Rs 3,599 in January. When contacted, both Airtel and Vodafone did not immediately offer any comments on the matter.

DoT on Wednesday issued demand notice to eight companies asking them to pay one-time spectrum charges as decided by government. This also included State-owned BSNL which has been asked to pay total amount of about Rs 6,912 crore, followed MTNL (Rs 3,205 crore).

Idea Cellular was asked pay Rs 2,113 crore (including Rs 231.5 crore of Spice), Aircel Rs 1,365 crore (including Rs 14 crore of Dishnet), Loop Mobile Rs 606 crore and Reliance Communications Rs 173 crore.

The schedule of payment to be made by these firms could not be ascertained. The government is likely to get Rs 4,251.83 crore from retrospective charges, and Rs

18,925.82 from prospective charges for excess radiowaves held by mobile operators. In all, around Rs 23,177 crore is expected from levy of one-time spectrum fee, sources added.

Initially, telecom firms were given 4.4 MHz spectrum along with license for Rs 1,658 crore for pan-India operations and later they were entitled to get another 1.8 MHz on fulfillment of certain subscriber-base criteria.

In November, the government decided that the operators should pay for holding spectrum above 6.2 MHz retrospectively, from July 2008 to January 1, 2013. After that, for spectrum above 4.4 MHz, they would have to pay for the remaining period of their licenses based on auction held last November.

28. CHINA MAY OPEN TELECOM SECTOR TO MVNOS

China is considering opening the nation's mobile market to privately-owned companies to operate as MVNOS.

The Ministry of Industry and Information Technology (MIIT) has launched a consultation on a proposal to allow state-owned operators China Mobile, China Unicom and China Telecom to resell bandwidth for private operators to use to offer rebranded services, *Reuters* reported.

Under the proposal, private operators would likely offer the new services via full MVNO arrangements with state-owned operators, and the plan will be tested in a two-year trial. The three state-owned operators would be required to reach reseller agreements with at least two prospective MVNOS over the duration of the trial.

The MIIT said it expects the move to encourage more competition in the mobile market. The plan has been hailed as a potentially significant move forward for China's long-standing pledge to encourage private investment in the nation's telecom sector, and potentially towards allowing more foreign investment.

But the MVNO trial will not be open to international players, suggesting that at least initially; restrictions on foreign participation in the sector will remain.

29. NOKIA INDIA AVOIDED TAX ON ROYALTIES: TAX DEPT

India's Income Tax department, which raided Nokia's Chennai facilities on Tuesday, alleges that the Indian unit has defaulted on some required tax payments related to royalty payments to its parent. The tax officials also claim to have seized important evidence during the raid.

30. GOOGLE PLAY PEGGED TO HIT 1 M APP BEFORE APPLE

Pundits expect the Google Play app store to have 1 million apps available by June 2013 – and predict it will reach this milestone ahead of Apple's App Store.

31. LENOVO TO LAUNCH INTEL-POWERED SMARTPHONE

Chinese PC maker Lenovo plans to launch the first smartphone using the new version of Intel's dual-core Atom chips. The K900 will be sold in Asian markets starting from this year.

32. ST-ERICSSON UNVEILS LOW-POWER LTE DEVICE CHIP

Chipmaker ST-Ericsson has unveiled a prototype mobile chipset that it says has the potential to add five hours to the battery life of LTE smartphones.

33. TABLET SALES COULD PASS NOTEBOOKS IN '13

Tablet shipments are expected to reach more than 240 million units worldwide in 2013, beating the projected 207 million shipments of notebook PCs.

According to research firm NPD DisplaySearch, shifting market dynamics are creating the opportunity for a greater variety of choices, which will drive shipment growth in 2013 to 64% year-on-year.

The rapid development and adoption of new screen sizes is allowing both large and small brands to gain market traction in all regions and create new demand for tablet PCs, NPD DisplaySearch said.

The tablet market has been led by Apple's 9.7-inch iPad, but in 2013 a new class of small tablets will take over the market. Tablet PCs with 7- to 8-inch screen sizes are expected to account for 45% of the market in 2013, totaling 108 million units. This compares to an anticipated 41 million units or a 17% share for the 9.7" category.

As the variety and demand for new screen sizes increases, so will market growth in emerging markets. China will have 27% of the global tablet market, but North America will remain the largest market with a 35% share. In both China and North America, tablet PC shipments surpassed notebook PC shipments in 2012.

34. APPLE EXEC SAID TO DISMISS CHEAPER IPHONE RUMOR

A Chinese newspaper has reported that Apple marketing chief Steve Schiller dismissed widespread rumors that the company is working on a low-cost iPhone for developing markets, citing the company's abnormally high profit margins.

35. WOMEN'S WEB USE LAGS IN DEVELOPING COUNTRIES

Women in developing countries are 25% likely than men to have regular internet access and just 21% of women in the developing world are online today, according to a report from Intel, the UN and the US State Department.

36. SAMSUNG SHOWS BENDABLE PHONE SCREEN

By showing off a phone with a flexible screen, Samsung is hinting at a day when we might fold up our large phone or tablet screens as if they were maps.

The Korean electronics company provided a glimpse of such a device at a keynote speech Wednesday at the International CES gadget show in Las Vegas. It's an annual showcase of the latest TVs, computers and other consumer-electronic devices.

Brian Berkeley, head of Samsung Electronics Co.'s display lab in San Jose, Calif., demonstrated a phone that consists of a matchbox-sized hard enclosure, with a paper-thin, flexible color screen attached to one end. The screen doesn't appear flexible enough to fold in half like a piece of paper, but it could bend into a tube.

The company also showed a video of a future concept, with a phone-sized device that opens up like a book, revealing a tablet-sized screen inside.

37. KARNATAKA GOVERNMENT LAUNCHES PILOT PROJECT ON M-GOVERNANCE.

Allowing citizens to access various government services on their mobile phones, Karnataka Government has launched a pilot project on mobile governance. The government intends to launch an integrated mobile-enabled service delivery system through this initiative. It will be offering various information services as well as services involving actual transactions.

38. NOKIA LAUNCHES LUMIA 920 IN INDIA

Finnish handset maker Nokia has finally launched the Lumia 920 in the Indian market. Priced at Rs.38,199, the Nokia Lumia 920 is based on Microsoft's latest Windows Phone 8. The Nokia Lumia 920 comes with a 4.5-inch PureMotion HD+ display with 1280×768 resolution. It is powered by a dual-core 1.5GHz Snapdragon S4 processor alongside 1GB RAM.

39. BHARTI AIRTEL REDUCES GREENHOUSE GAS EMISSIONS BY 11 PER CENT IN 2011

India's largest mobile phone company BhartiAirtel said on Thursday that it had reduced greenhouse gas (GHG) emissions per terabyte in network infrastructure by 11% in financial 2011-12. It also saved 20 million KWh of energy by consolidating its facilities and improving energy efficiency of its data centre.

40. ZTE CORP RESTRUCTURING INDIA LEADERSHIP TEAM, LOSES THREE SENIOR EXECUTIVES

ZTE Corp, China's second-biggest telecom gearmaker by revenue, is restructuring its India leadership team on the heels of its recent cost-optimization drive in one of its most challenging markets.

ZTE India CEO CaiLiangjun and enterprise business director Victor Wangyang are likely to soon relocate to the parent company's Shenzhen headquarters while services business

head XuDejun is tipped to become the new chief executive, two company officials aware of the development said.

Liangjun, who was earlier CTO before becoming ZTE India's chief executive three years ago, will be returning to Shenzhen after putting in six years in India.

41. TELCO OPERATORS LOST OVER 13 MILLION USERS IN NOVEMBER: TRAI

The country's telecom subscriber base fell by over 13 million to 921.47 million at the end of November 2012 due to "large-scale disconnection by operators". All the operators lost users in November 2012, barring Reliance Communications, Loop and HFCL, which added a total 1, 35,519 new subscribers.

42. TRAI SAYS EXISTING TARIFF REGIME TO CONTINUE

Regulator TRAI has decided to continue with the existing tariff regime for the time being that allows operators to decide on charges for telecom services.

"TRAI sought views of stakeholders on the need to review the existing regime of tariff forbearance... Taking into account the feedback received from stakeholders, the Authority has decided to continue with the existing tariff regime for the time being," TRAI said in its annual report.

43. FOREIGN TELECOM COMPANIES OPPOSE NEW FDI BAR

A move by the government to make foreign direct investment (FDI) policy more stringent in the telecom sector has raised hackles among international companies.

The department of telecommunications (DoT), in the draft universal license guidelines to be signed with telcos which recently won spectrum in the 1800 MHz auction of November, has included a new clause for foreign companies. It says, "In order to ensure that at least one serious resident Indian promoter subscribes reasonable amount of the resident Indian shareholding, such resident Indian shareholder shall hold at least 10 per cent equity of the license company."

This could have serious repercussions on all foreign telcos, including new ones such as Telenor and incumbents wanting to migrate to a universal license, under which telcos can operate all services. They would now have to find an Indian investor who will stay invested, even if the foreign company prefers to divest stake through a public offering and cover the 26 per cent Indian equity requirement later.

44. VODAFONE, INDIA MAY SETTLE TAX DISPUTE

The long-running, multi-billion dollar tax dispute between Vodafone and Indian authorities could finally be drawing to a close. The Indian government has provided the operator with written notification that it is ready to end the dispute, a Finance Ministry source told *Bloomberg*.

This letter was reportedly a response to a missive from Vodafone signifying that it is prepared to reach an amicable settlement. Tax officials may offer concessions including

waiving interest and penalties on the bill, and may extend these to all cases where changes to tax law are applied retroactively, as in Vodafone's case.

45. MOBILE ADVERTISING NETWORK VSERV.MOBI LAUNCHES AUDIENCEPRO.

Leading mobile advertising network Vserv.mobi has announced the launch of AudiencePro, a first-of-its kind platform that presents a game changing opportunity for the entire mobile ecosystem, including Telecom providers, Advertisers, Publishers & App Developers. This launch also announces the first Telco partnership as Vserv signs up with Airtel, the world's third largest telecom operator by subscriber base.

The AudiencePro platform allows advertisers targeting based on demographics, spending power, network usage, location, content relevance & device specific data, to reach the right audience. It will allow advertisers to reach mobile subscribers with highly relevant ads, displayed on multiple inventory sources across the Vserv.mobi network, including 20,000+ Apps powered by its innovative AppWrapper technology, thus enabling targeted advertising at a massive scale like never before.

46. VODAFONE RELEASES SECOND SUSTAINABILITY REPORT

Mumbai-based Vodafone India has released the second annual edition of its sustainability report titled Footprints II. The report mentions the green initiatives, future roadmap and sustainability efforts taken by the telco in India.

Vodafone is the first telecom company in India to come out with a sustainability report. Last weekBhartiAirtel Ltd. also released its first edition of sustainability report in India. With the growth of the country's telecom sector, experts have raised concerns over environment and pollution. In the last few years, the operators' demand for energy usage has grown tremendously as they are consistently expanding and have to power their growing infrastructure. Many social organizations have regularly raised these issues and asked companies to make their efforts public and migrate to an energy-efficient business model.

Vodafone, the second-largest mobile operator of India with over 150-million customers, says that it is committed to achieving the highest green standards at workplace and beyond.

47. TELECOM DEPT SEEKS RS 20,000-CR BAILOUT FOR BSNL, MTNL.

The Department of Telecom has sought the Cabinet's approval for Rs 20,000-crore bailout package for Bharat Sanchar Nigam Ltd and Mahanagar Telephone Nigam Ltd. The Department proposes to waive the one-time spectrum charge and refund money for surrendered broadband spectrum.

BSNL wants to surrender broadband spectrum (2300 MHz band) in six circles including Karnataka, Kolkata, Andhra Pradesh, Gujarat and Maharashtra. If the Cabinet accepts this request, the PSU will get a refund of Rs 6,724.51 crore. MTNL has sought a refund of Rs 4,533.97 crore for surrendering broadband spectrum in Delhi and Mumbai. In

addition, the companies are supposed to pay an upfront charge of Rs 1,626 crore and an annual fee of Rs 893 crore as one-time fee for excess spectrum beyond 4.4 MHz.

48. TELENOR'S SMART CHANNEL PARTNER MOVE FOR GROWTH

Norway's Telenor has decided to adopt a smart strategy to compete with big telcos in a highly-competitive telecom market like India. The telco, which operates in six circles, is taking the support of its channel-partner base to improve its SIM-card and mobile-recharge-coupons sale, especially in tier-2 and tier-3 markets.

The company has decided to increase commissions to smaller retailers and distributors in a bid to improve its profits. This will encourage retailers to push Telenor's products and services to consumers. The move is also significant considering the fact that other leading operators like BhartiAirtel Ltd. , Vodafone India and Idea Cellular Ltd. collectively decided to reduce their dealer margins by 30 percent in selected circles in July last year.

49. BHARTI REPLACING INDIA CEO

BhartiAirtel has revealed that the CEO of its Indian operations, Sanjay Kapoor, will step down in March after 15 years at the company.

Kapoor will be replaced by current group director of special products GopalVittal, who joined the company early last year.

While BhartiAirtel's announcement states Kapoor is leaving to "pursue his future aspirations outside of Bharti," India's *Economic Times* reports on rumors he may have been pushed into quitting due to a proposed reorganization of the company.

Kapoor joined Bharti in 1998 as COO of what was then Bharti Cellular. He is currently CEO of Bharti's South Asian as well as its Indian operations.

Kapoor will remain a board member on Bharti's tower joint venture Indus Towers and on Bharti Global after he steps down.

The leadership transition may also indicate a change in strategy. Bharti said Vittal has been touring SingTel units, as well as Softbank and Silicon Valley to help understand "emerging trends in [the] data and internet space."

As CEO, he plans to focus his attention on growing market share and margins, and on improving non-voice revenue streams including data, mobile money and VAS.

50. PER CENT OF INDIA'S ONLINE SHOPPERS HAIL FROM TIER-II CITIES

A recent study by Venture Capitalist Accel Partners revealed that 56 per cent of India's online shoppers hail from tier-II cities and towns. Accel Partners stated that most of the lifestyle marketers are using digital platforms to connect with the Middle India consumption story.

Middle India, defined as cities and towns with a population between one to ten lakh, has driven value growth for the fast moving consumer goods industry in recent past, Nielsen

data showed. The rise of smaller towns has the potential to change the dynamics for India's fledgling e-commerce industry, in a stunning way, Accel figures suggested.

The study revealed that India's e-commerce market, crossed \$800 million with 13 million online shoppers in 2012. The number of unique shoppers excluded the online travel agency (OTA) market, which, if included, takes the count of transacting internet users to little more than 20 million, added the US venture capitalist with shares in leading e-commerce engines like Flipkart, Myntra and Bookmyshow.

51. DECISION ON SPECTRUM PRICING IN 3 WEEKS: KAPIL SIBBAL

The government will in next three weeks decide on pricing of spectrum that will be sold in the second round of auction beginning March 11, Telecom Minister Kapil Sibbal said today.

The auction, he said, will be completed before March-end.

The Supreme Court yesterday allowed mobile phone operators, whose permits were due to be revoked this week as per an earlier court order, to continue service until it hears the case next on February 4.

It asked the government to explain the price these companies will have to pay for spectrum usage since cancellation of their licenses in February last year.

The Department of Telecommunications had urged the court to allow companies to operate until the next airwave auction.

Sibbal termed the Apex Court order as "positive" and said all the spectrum pricing issues will be decided before February 4, when the apex court will again hear the matter.

52. RCOM HANDS \$1B OUTSOURCING DEAL TO ALCA-LU

In Europe Alcatel-Lucent has been under siege for a while now, looking to sell assets and cut costs to relieve some of the financial pressure they have been under from the twin pillars of the European economy and the invasion of Huawei.

But today they got some very welcome relief from the subcontinent, of the billion dollar contract variety.

India's Reliance Communications has awarded the Franco-American vendor an eight year, \$1 billion contract to operate both its wireline and wireless networks across India.

The giant outsourcing deal expands on an existing relationship, and will see some 4,000 employees move from Reliance to Alcatel-Lucent. It's a major move for both companies, and reflects the fact that both are in need of a change of scenery.

Both companies have been under financial pressure and looking to sell assets and rationalize their balance sheets. Earlier this year, Reliance tried to IPO its subsea cable division in light of current market conditions, but was forced to shelve the idea.

Today's deal gives them a chance to get leaner and meaner, and perhaps more focused on what counts to boost their position against the likes of BhartiAirtel and their other Indian rivals.

53. SMARTPHONE USERS CONSUME MORE MOBILE DATA THAN TABLET USERS

A recent report by mobile analytic firm Arieso reveals that Smartphone users now consistently consume more mobile data than tablet users. The report shows that despite a surge in the market for tablets, smartphone users have overtaken tablet users in their thirst for mobile data for the first time.

According to the report iPhone 5 users are the "hungriest" data consumers, demanding 50% more than iPhone 4S users and four times as much as iPhone 3G users. The report also showed that Samsung Galaxy S III users generate (upload rather than download – photos, videos etc.) nearly four times the amount of data than iPhone 3G users, beating iPhone 5 users into third place on uplink data usage behind the Samsung Galaxy Note II. And in the rapidly growing tablet market, Samsung Tab 2 10.1 users have asserted their dominance – demanding 20% more data than iPad users.

54. DOT WANTS TOWER FIRMS TO BE COVERED BY UNIFIED LICENCE REGIME

A committee set up by the Department of Telecom has proposed to include tower companies under the purview of the new unified license regime.

The panel has proposed to create two types of licenses — one for service providers and another one for network operators in addition to the all encompassing unified license.

Under the current licensing regime, tower companies are given an 'Infrastructure Provider' status and hence they are not required to pay any revenue share to the Government. However, if they are asked to migrate to the new unified license regime then they will have to pay the entry fee and also the annual revenue share.

"Infrastructure providers shall also be covered under unified license. The existing IP providers would be required to take the unified license as soon as the same comes across into being and the conditions in the unified licenses will apply to them," a draft report of the DoT committee stated.

Tower companies, including Viom and American Tower, have been opposing this move as, according to them, this is against the Government's stated objective of expanding telecom infrastructure.

However, the DoT panel has proposed that IP companies that do not wish to take the full fledged unified license can opt to take the license meant for network operators. Under the unified license (network service), companies will be allowed to set up even core network and transmission systems. However, in the case of unified license (service delivery), operators will be allowed to only offer services to end users and not set up infrastructure. Those who want to do both services and infrastructure and services then they will have to take the full fledged unified license.

"This model has got the inherent advantage that the implementation of converged network and services will become easier with freedom to the service delivery licensee to offer converged services," the DoT panel said in its report.

55. GSM MOBILE OPERATORS MAY MOVE TO DELHI HIGH COURT AGAINST ONE-TIME FEE

GSM mobile operators are likely to challenge the government's decision to impose a one-time fee on existing airwaves they hold in the Delhi High Court, opting out of the traditional practice of approaching the telecom tribunal, as the tribunal has been without a chairman since November and has not been in session for about a week.

56. HUAWEI TO PROVIDE LTE-READY MICROWAVE BACKHAUL FOR TELENOR.

Huawei and Telenor have entered into a three-year strategic cooperation framework contract for IP microwave technologies. Under the contract, Huawei's second generation E-Band and full outdoor (FO) microwave will be widely deployed.

Telenor Group is one of the world's major mobile operators with close to 150 million mobile subscribers, a leading position in the Nordic region and a strong footprint in Central and Eastern Europe and Asia. Having completed a base station IP-based revamp, Telenor plans to deploy LTE networks on a large scale, using Huawei's end-to-end IP microwave solution for LTE backhaul. This solution enables high bandwidth, smooth evolution, quick deployment, and easy management for LTE backhaul networks. Huawei's microwave solution is built on a universal IP platform including RTN 900 series, a flexible microwave platform, RTN 310, a zero-footprint all outdoor microwave solution, and RTN 380, a second generation carrier-grade E-Band all outdoor microwave solution.

57. CDMA SPECTRUM BID PRICE HALVED TO RS 9,100 CRORE

India on Thursday halved the reserve price for CDMA airwaves in the 800 MHz band in a bid to salvage the sale of these airwaves, but the lone mobile phone company that is tipped to participate in the upcoming sale process for this frequency band said it had expected a steeper cut.

Sistema Shyam Teleservices (SSTL) that offers mobile and data services under the MTS brand said that the government's move was 'in the right direction' as it had realized the limited demand for the technology.

"However, as per ground realities one would have expected much greater reduction," a spokesperson from the telco added. The Cabinet Committee on Economic Affairs, headed by Prime Minister Manmohan Singh, reduced the reserve price of five units of CDMA airwaves (5 MHz) to 9,100 crore from 18,200 crore, telecom minister Kapil Sibal said. This is about one-fourth of the Rs 36,000 crore base price that had been initially suggested by telecom regulator Trai.

58. CABINET TO TAKE UP CHANGES IN TRAI ACT BY MARCH 15

The telecom department plans to expedite amendment in the Trai Act as it intends to initiate inter-ministerial consultation within a month and float a Cabinet note for final approval by mid-March.

The sector regulator, Telecom Regulatory Authority of India, draws its powers from the Act for ensuring protection of consumer interest and growth of the telecom industry. Trai has been asking for amendment in the Act for about five years as the industry underwent massive changes over the years.

"Situation in 2012 is different from situation in 1997. For an independent regulator, it is not possible to financially depend on government," Trai chairman Rahul Khullar had said in September while adding that a proposal had been sent to DoT suggesting changes in the Act to suit the requirements of the industry.

59. RELIANCE INDUSTRIES A GENERATION BEHIND ON ITS 4G; YET TO FINALISE ACTION PLAN

Two-and-a-half years after Reliance Industries made a dramatic re-entry into telecom, it is yet to finalise a concrete plan of action to launch its much-hyped 4G technology services, according to sources from the company, industry and the vendor community. In June 2010, when RIL bought Infotel Broadband Services for Rs 4,800 crore, a day after the company emerged as the only firm to win national broadband spectrum, it sparked off a furore in telecom circles. Since then, rivals have been on tenterhooks awaiting a big-bang launch and aggressive pricing from RIL; vendors have been on their toes anxious to win the big equipment contracts they bid for and employees have been on the edge, keen to get the project on the roads.

But for all of them, intense anticipation may be turning into frustration as the project has been slow to move despite RIL's famed project execution skills. Flux is what predominates RIL's 4G project now.

"I see nothing in the market...I see zero infrastructure (on the ground). Not much movement (elsewhere). So no worries, because I don't know what to be worried about," said the CEO of a leading telecom operator in the country. Another rival CEO also echoed similar thoughts. "We have all but given up (on getting equipment orders from RIL for the project)," a source from the vendor community admitted, speaking on condition of anonymity.

60. BSNL TO OFFER VOLUNTARY RETIREMENT TO 1 LAKH EMPLOYEES

In order to bring down the salary burden, which constitutes about 48 per cent of its revenues, state-owned telecom company BSNL wants to let go one lakh employees by offering them voluntary retirement (VRS).

"If these people opt for voluntary retirement, the salary burden of the company will come down to 10-15 per cent, which is manageable," a top official of the company said.

61. WITH FREE ROAMING, TELCOS MAY BE FORCED TO LOWER STD RATES

India's 890 million mobile phone users could end up paying local call tariffs for making long distance calls, or STD in popular parlance, if roaming charges are abolished by telcos as promised by the government. Mobile phone companies have told sector regulator Trai that STD tariffs, which are on an average 60-70% higher than that for local calls, will have to be reduced to bring uniformity in pricing mechanism if free roaming is forcefully implemented. Telcos are opposed to the government's plan to do away with roaming charges from March 1.

62. AIRCEL'S ENTERPRISE HEAD QUILTS

Aircel Ltd. continues to lose its top executives as Ravinder Jain, company's Chief Business officer - Enterprises, also resigns.

When contacted, Jain was reluctant to respond either way. However, sources close to Aircel have confirmed the development.

Jain has held the important position of Chief Information Officer at Aircel, and key technology-head positions at Hutchison Essar Telecommunication and Vodafone India .

Jain is not the first top management exit at Aircel in the last six months. Earlier in 2012, several key executives left the company amidst growing trouble. The list includes company's Chief Operations Officer, Gurdeep Singh who joined Reliance Communications Ltd. , company's Chief Technology Officer and Chief Marketing Officer, its Chief Financial Officer and head of India operations, Sudhir Mathur who joined Cairn India and Chandan Ghosh, company's Chief for Global Wholesale & Carrier Business.

63. RELIANCE INFOTEL GEARS UP FOR 4G LAUNCH IN 40 CITIES

Reliance Industries Ltd. (RIL) , the only owner of pan-India Broadband Wireless Access (BWA) spectrum, is gearing up for the launch of much-awaited 4G services in the top 40 cities, starting with the metros by June-July this year.

"We have started preparing for the launch of services in 40 cities. This year we will definitely break the silence," says a top source close to the developments.

The company has been extremely tight-lipped about its launch plans. It is believed that RIL plans to launch 4G services in Mumbai and Delhi in June-July this year, which will be followed by the launch in other major cities in the country.

A major impediment in the success of RIL's launch is the inability to offer voice services. The company is in the process of getting permission to conduct trials for Voice Over Long Term Evolution (VoLTE). "Technically, the company is ready to conduct trials and the permission is also likely to come through soon," the source added. RIL recently successfully completed the trials in Jamnagar. Besides VoLTE, Reliance Infotel has partnered with Russia-based voice-and-video-over-IP engines provider Spirit DSP to offer voice and video over IP (VVIP) on its upcoming LTE-TDD networks.

"Reliance intends to invest \$10 billion in its LTE network and has turned to Spirit's software-based products for voice and video calls over LTE instead of waiting for phone-makers who are slow in offering handsets transmitting voice and video in 4G networks," says a recent press statement from Spirit.

Reliance Infotel is also laying down fiber in the metros through a partnership with Himachal Futuristic Communications Ltd. (HFCL) .

64. COMVIVA PARTNERS WITH ADAPTIVEMOBILE FOR NETWORK-BASED SECURITY SOLUTIONS

Mobile VAS solution provider Comviva has announced its partnership with AdaptiveMobile to provide operators with the most comprehensive network-based web and message content filtering solution. This partnership aims to help operators to leverage monitoring and advanced security techniques to protect their network, subscribers and enterprise customers against the growing threat of mobile abuse.

Through the web and message content filtering function, service providers will be able to perform a complex assessment of the content of messages and data, looking for specific text combinations or even the content type (music and picture files). AdaptiveMobile's content filtering techniques will add another element of control over spam to further manage unwanted messages and operators will have the most comprehensive solution for identifying and preventing fraudulent SMS/MMS and spam.

65. RIL, RCOM MULL 4G NETWORK SHARING DEAL

Anil Ambani's flagship company Reliance Communications (RCOM) is negotiating a network sharing deal with elder brother Mukesh's Reliance Industries that is slated to launch fourth generation (4G) services or high-end data services on mobiles this year.

While talks between both sides are at a preliminary stage, Reliance Industries is playing hard to get amid internal debates on how and when to launch services. The negotiations are largely over pricing with RIL striking a hard bargain, two executives aware of the development said.

If a deal eventually happens, it is likely to involve RIL leasing capacity on 30,000 out of the 48,000 towers held by Reliance Infratel, the infrastructure arm of Reliance Communications. But any such deal may be at a heavily discounted rate, they said.

RCOM shares surged 7% on Monday to close at Rs80, its highest since April 18, 2012, after brokerage CLSA said that a tower sharing deal with RIL for the latter's 4G rollout was inevitable. "Reliance Industries is the only pan-India 4G spectrum owner.

Service rollout is reported to be in 2013 and its best option remains to lease towers from Reliance Infratel," said CLSA in a report. E-mails sent to both Reliance Industries and Reliance Communications went unanswered.

In early 2011, RIL had approached independent tower companies seeking to lease electronic equipment to transmit airwaves for its 4G, or fourth generation, mobile technology services.

At the time, the MukeshAmbani promoted company had sought to lease towers at Rs19,000 a month, compared with an ongoing rate of Rs24,000 to Rs31,000.

The two groups had held talks on an infrastructure sharing deal in late 2011 as they attempted to bring about the first major collaboration between the Ambani brothers after they split the Reliance empire between themselves in 2005. But the negotiations did not make much headway at the time.

66. PLEA TO INCLUDE HUAWEI IN DOMESTIC TELECOM MAKERS LIST

Two associations representing the Telecom Service Providers have urged the Department of Telecommunications (DoT) to consider the plea of the Indian unit of Chinese Telecom Company Huawei for including it in the DoT's list of domestic manufacturers.

The near identical letters sent by Association of Unified Telecom Service Providers of India (AUSPI) and Cellular Operators Association of India (COAI) to Telecom Secretary R Chandrasekhar early this month were sent to security agencies for comments, official sources said on Monday.

The letters were sent even as the security agencies coming under the Home Ministry have pressed for a thorough review about the operations of Chinese telecom companies in the country, the sources said.

COAI represents the telecom operators using GSM technology while AUSPI is an association of CDMA and Dual Technology telecom operators.

The AUSPI in its letter requested the DoT to look into the representation of Huawei Telecommunications (India) for consideration as a domestic manufacturer and include it in its list. The list of domestic manufacturers circulated by DoT does not contain the name of the Indian unit of the Chinese company, it said.

67. AIRCEL TO TRIM OPERATIONS IN MORE CIRCLES

After pruning operations in five circles last year, Aircel Ltd. is planning to repeat the exercise in another three-to-four circles.

"There is a huge pressure on margins and Aircel is planning to prune operations in another three-to-four circles. This is likely to lead to substantial retrenchment," says a prominent industry source on condition of anonymity.

Aircel trimmed its operations in five circles in the second half of last year by closing down operations in Madhya Pradesh, followed by Rajasthan, Punjab, Gujarat and Haryana. However, the company is unclear as to which circles it plans to trim now. This exercise is also likely to bring down the head count of the company.

68. FOREIGN VENDORS BARRED FROM NOFN PROJECT

Top vendors have been barred from bidding for the government's prestigious National Optical Fiber Network (NOFN) project, according to some media reports.

This implies that prominent vendors like Alcatel-Lucent, Huawei Technologies Co. Ltd., Ericsson AB, Nokia Siemens Networks and ZTE Corp. will not be able to participate in any tender relating to the INR 21000-crore NOFN project.

This is in keeping with the government's policy of promoting domestic manufacturing. The Department of Telecommunications' (DoT) list of vendors includes Himachal Futuristic Communications Ltd. (HFCL), Tejas Networks India Ltd., Centre for Development of Telematics (C-DOT), ITI Ltd., VMC Systems and United Telecoms.

It will be a huge setback to foreign vendors if they are unable to participate in the tenders of Bharat Broadband Network Limited (BBNL), a special-purpose vehicle created to execute the NOFN project. On the other hand, it will give a much-needed fillip to the Indian companies who have been struggling to be part of big projects.

At the same time, it appears highly unlikely that DoT would be able to prevent big vendors from participating in the tender process. It would have to tackle huge pressure from the global trade bodies in implementing this. Few months back, the Indian government had come up with a Preferential Market Access policy which stipulated that all government departments and agencies must procure at least 50 percent of their total requirements from local manufacturers. But barring them totally would be a difficult proposition.

69. DOT TAKES WRAPS OFF SPECTRUM BIDDING NORMS

The Department of Telecom (DoT) on Tuesday laid down spectrum auction guidelines, clearly stipulating that airwaves in 1800 MHz, 900 MHz and 800 MHz bandwidths will be allocated through auction.

In 800 MHz band, the block size shall be 1.25 MHz (paired) while the auction will be conducted for 21 service areas. There will be no auction of spectrum in Rajasthan, the guidelines stated.

In this band, in addition to the three blocks (3.75 MHz), there will be a provision for spectrum of up to one additional block of 1.25 MHz for topping up the three blocks put to auction i.e. a total of 4 blocks each of 1.25 MHz, totaling 5 MHz, to meet the requirements of new entrants if such an exigency arises.

However, the top-up block is not available in service areas of Delhi, Kolkata, Maharashtra and Mumbai. In Andhra Pradesh and Punjab, only two blocks (2.50 MHz) will be put up for auction and no top-up blocks will be available. The reserve price per block for Mumbai and Delhi circles in this band is Rs441 crore and Rs450.49 crore,

The auction in 1800 MHz band will be conducted for Delhi, Mumbai, Karnataka and Rajasthan and the block size will be 1.25 MHz (paired). The reserve price per block for Mumbai and Delhi circles in this band stands at Rs474.92 crore and Rs485.15 crore, respectively.

In the 900 MHz band, too, the block size shall be 1.25 MHz (paired) and the auction will be conducted for Delhi, Mumbai and Kolkata. And the reserve price per block for Mumbai and Delhi circles are Rs949.84 crore and Rs970.30 crore, respectively.

The overall spectrum cap in each service area is 25% of spectrum allotted and put for auction in all the bands. According to the guidelines, a simultaneous multiple round ascending e-auction shall be conducted, the details of which will be notified separately.

The broad stipulations are the bidding shall be conducted service area wise simultaneously for 1800 MHz and 900 MHz bands, and the auction of airwaves in 800MHz band will be conducted separately for 21 service areas.

70. GEMALTO POWERS LAUNCH OF THE UK'S FIRST LTE MOBILE NETWORK.

Gemalto announces that it is delivering its *UpTeq LTE SIM* and embedded software applications to EE, the UK's most advanced communications company, powering the launch of the UK's first 4G mobile network.

EE, the joint venture between France Telecom and Deutsche Telekom in the UK, is the first mobile operator in the UK to launch 4G, which is available on the company's EE brand. EE's 4G service is already live in 18 cities and towns across the UK, with 17 more planned by the end of March 2013, and 98% of the UK population is scheduled to be covered by the end of 2014.

71. MOBILE BILLS SET TO RISE, PREPAID RATES GO UP 20-30% AFTER BHARTI AIRTEL, IDEA INCREASED CALL RATES

Mobile bills of consumers are set to rise up to 20-30% after India's biggest mobile phone company by customers and revenues, Bharti Airtel, and one of its key rivals, Idea Cellular, increased call rates, citing rising costs. This is the first significant increase in tariffs in more than three years.

Vodafone, the country's second-largest mobile phone company, said it was inclined to follow price hikes by competitors. All other operators will also follow as debt-ridden telcos attempt to improve margins after a three-year price war that had decimated the industry's profits and revenues.

Both Bharti and Idea declined to provide specific details of tariff hikes. The tariff increases come ahead of two important developments that could shape the fortunes of the industry in the coming months - a push by the government to scrap roaming charges and the second round of auctions for 2G airwaves. Once hailed as emblematic of India's rapid growth, the telecom sector has been brought to its knees by a corruption scandal in the allocation of 2G spectrum as well as policy muddles.

72. NORWAY'S TELENOR SEEKS CUT IN GSM AIRWAVES BASE PRICE.

Norway's Telenor on Thursday demanded that the government slash base price for GSM airwaves by 50%, on the lines of the Union Cabinet's recent decision to halve the reserve price for CDMA spectrum. Telenor also warned it would be 'almost impossible' to participate in the upcoming March auctions at the current reserve price.

While the Scandinavian communications major is the first mobile phone company to demand that GSM-based operators be extended the same concessions as that for CDMA, its stance is set to be supported by other telcos who will soon approach the government with similar requests.

73. MUKESHAMBANI'S RIL ARM MAY BUY STAKE IN ANIL'S RCOM TOWER SUBSIDIARY INFRATEL& LEASE 50K TOWERS

The telecom arm of Reliance Industries, owned by billionaire Mukesh Ambani, may buy a stake in RelianceInfratel, a company belonging to his brother Anil that operates telecom towers, in a complex deal that also includes leasing as many as 50,000 towers.

Two people close to the ongoing negotiations said the deal had two components.

One part is a leasing arrangement valued at Rs 8,500-10,000 crore over a 10-year period. One of the people said a part of the lease amount will be paid up front. If the lease deal fructifies, it will enable RIL to use nearly 50,000 towers of Reliance Infratel, a subsidiary of Reliance Communication, or RCOM, India's third-largest telecom company by subscribers.

Aspects of the leasing deal were reported by ET in its edition dated January 22.

The second component of the deal being negotiated between the two Reliance groups consists of RIL's Infotel Broadband, a 100% arm of RIL, buying 15-25% in Reliance Infratel, RCOM's tower and passive infrastructure arm. Infotel is the entity implementing RIL's entry into so-called fourth-generation (4G) telecom services, which promise faster data access for consumers and business.

74. TATA COMMUNICATIONS UPGRADES SPEED ON SUBSEA CABLE SYSTEM

Tata Communications on Thursday announced the launch of 100 gigabits per second-enabled services on its subsea cable system from New York to London.

"Tata Communications is upgrading its TGN-A (TGN-Atlantic) submarine cable to 100G - the first on its global submarine network," Tata Communications said in a statement.

75. EGoM DISCUSSES REMOVING CURBS ON NUMBER OF SPECTRUM BIDS.

The Empowered Group of Ministers on Telecom today discussed the number of slots operators should be allowed to bid for in the upcoming spectrum auction. Sources said the Department of Telecommunications (DoT) has proposed removing restriction on the number of slots that a company should be allowed to bid in the auction for both CDMA and GSM spectrum.

The DoT is of the view that auction would witness aggressive bidding if restrictions on the number slot is removed.

"EGoM discussed the number of slots that CDMA and GSM players should be allowed to bid for. However, no decision could be finalized," a source said. "Companies whose licenses are coming up for renewal will be any way like new players," the source said, adding that there were no demand for spectrum in 1800 MHz (GSM) and 800 MHz (CDMA) in the November auction and therefore removal of restriction is the proposal.

"Only procedural matters were discussed," Telecom Minister Kapil Sibal told reporters after the EGoM meeting.

In the last auction held in November, new operators were mandatorily bid for a minimum of 4 blocks of 1.25 MHz each and a maximum of five for GSM spectrum. It was a minimum of two and a maximum of three in case of CDMA airwaves. The source said that most of the discussions in the EGoM were around court case related to auction, Supreme Court direction and DoT's preparation for it. Decision about the fees that is to be paid to auctioneer, Times Internet with E-Procurement was approved by the EGoM in its last meeting, sources added. The DoT has issued the guidelines for the auction process which is expected to fetch around Rs 45,000 crore to exchequer from airwaves sale. The guidelines, however, did not mention about the timeline for starting auction and related dates.

Sibal has earlier said that the auction is planned to start from March 11 onwards. In the second round of auction, government will put unsold GSM spectrum in 1800 MHz band

and airwaves held by telecom licenses in 900 MHz band that is coming for renewal starting 2014 onwards.

Government had slashed base price of CDMA spectrum by 50 per cent and for unsold GSM spectrum by 30 per cent. The price of spectrum in 900 MHz has been fixed at two times the price of airwaves in 1800 MHz.

The Supreme Court will hear 2G spectrum case on February 4 which may have impact on auction proceedings and there are also chances of litigation against the government decision on slashing spectrum price for the second round of auction, sources said.

76. TELCOS SEEK INFRASTRUCTURE STATUS, LOWER LEVIES FOR SECTOR.

Telecom sector is seeking infrastructure status and downward revision of high taxes, industry bodies COAI and AUSPI said in their joint pre-budget recommendations submitted to Finance Ministry today.

"The telecom sector essentially providing public telecommunication services should be viewed as a critical infrastructure industry in order to maximize the GDP growth of the country," the industry bodies said.

At present, telecom does not fall within the purview of the definition of infrastructure projects. Cellular Operators Association of India (COAI) represents GSM players while Association of Unified Telecom Service Providers of India (AUSPI) represents CDMA players as well as dual technology players.

The bodies said lowering of levies and tax breaks for the sector is a critical tool which will empower the industry to improve tele-density and expand services.

77. DOT DISMISSES HUAWEI & ZTE PLEA FOR INCLUSION IN THE LIST OF DOMESTIC GEARMAKERS

The telecom department (DoT) has dismissed Huawei and ZTE's recent demand for inclusion in a master-list of domestic telecom gearmakers, ostensibly on security grounds. The Chinese network gear vendors had sought the 'domestic manufacturer' status, citing significant manufacturing presence in India, conform to the DoT's local value-addition criteria and have multi-billion-dollar investment plans in the country. Industry bodies representing GSM, CDMA and dual-technology companies had also lobbied on their behalf with the telecom department. Internal documents with ET suggest Huawei's plea was rejected by the DoT since the present list of domestic telecom

gearmakers was drawn up by the Telecom Equipment Manufacturers Association of India (Tema), the industry lobby representing telecom gear makers in India.

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