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OSS NewsWatch

By Alana Grelyak

Welcome to February! As you probably well know, the world economy is still headed in a southward direction, a fact that is emphasized by some of the news contained within this article. However, don't despair, because there are some uplifting pieces of information! Tribold has some good news to share about funding, and Telcordia celebrated a birthday in January. As always, we try to find the pieces of news that we think you want to read. So, as February progresses (in a hopefully warmer fashion than January in North America), keep in mind that there are still some bright spots in the economic darkness. Here's your NewsWatch for February.

In last month's column, we reported that Nortel was warned by the NYSE when the company's shares fell below $1US per share. Nortel had plans to discuss the matter with its shareholders at the Spring 2009 meeting, but it seems plans have changed. Sadly, Nortel Networks Corporation, Nortel Networks Limited, and its Canadian subsidiaries, have officially filed for bankruptcy protection, although the company's official press release avoids excessive use of the term, stating that "Nortel commences comprehensive business and financial restructuring." The decision was made after a unanimous authorization of Nortel's Board of Directors. The company's release also states that its operations are expected to continue without interruption and that it has sufficient cash on hand to fund ongoing operations. So why did the company choose to pursue Chapter 11? "Nortel must be put on a sound financial footing once and for all," said Nortel President and CEO Mike Zafirovski. "These

actions are imperative so that Nortel can build on its core strengths and become the highly focused and financially sound leader in the communications industry that its people, technology and customer relationships show it ought to be. I am confident that the actions we're announcing today will be the fastest, most effective means to translate our improved operational efficiency, double-digit productivity, focused R&D and technology leadership into long-term success. I want to reaffirm Nortel's dedication to delivering world-class solutions and services to customers." Nortel's affiliates in Asia, the Caribbean, and Latin America, as well as the Nortel Government Solutions business, are not included in these proceedings.

Canadian communications provider Bell Aliant has announced a plan for organizational changes within its management hierarchy. While the plan is meant to "increase competitiveness," and the company's official statement is peppered with positive terms, with its reduction of approximately 500 management positions (15 percent of management and 5 percent of the overall workforce), it sounds suspiciously like yet another blow of the economic hammer. Karen Sheriff, President and CEO of Bell Aliant, said: "Changes like this are never easy but are necessary for Bell Aliant to continue to be successful in meeting the needs of our customers and investors."

Bell Canada, jumping on the cost-cutting bandwagon, has offered a retirement incentive (aka buyout) to about 1,500 of its qualifying employees. Bell Canada stresses that this is not an early retirement program, but rather applies only to certain employees that meet specific criteria. "This initiative supports Bell's strategic imperative to achieve a competitive cost structure," said George Cope, President and CEO of BCE and Bell Canada. "It also thanks many of Bell's longest-serving team members for their service by allowing them to take a financially secure retirement even earlier than they may have planned." The company's official release doesn't provide specific details about the plan.

In other, more pleasant news, Telcordia has officially turned twenty-five years old! "As we look to the next 25 years we are excited about what the world has yet to experience," said Adam Drobot, CTO & President, Advanced Technology Solutions, Telcordia. "Over the last 25 years the industry has made explosive progress in delivering ubiquitous access for a vast array of content. Going forward, this progress will further accelerate and amplify, particularly in providing highly personalized and predictive machine-to-machine information that anticipates, prepares and responds to a person's specific needs." That does, indeed, sound exciting. Happy Birthday, Telcordia!

Tribold announced that it received US$11 million in a new round of funding led by Intel Capital and joined by existing investors DFJ Esrit and Eden Ventures. Said funding will be used by Tribold to grow its existing North American operations, add key members to its management team, build on Tribold's existing sales and marketing resources and allow the company to continue to invest in significant research and development to expand its' product footprint. In today's economy, it isn't often that we're seeing funding and growth of this magnitude. Tribold's CEO John Rainger had this to say on the topic: "In an uncertain economic climate, we believe this round of funding clearly demonstrates Tribold's importance in the communications industry. The new funds will allow Tribold to grow and expand in existing and new markets. " Eden Ventures general partner Mark Farmer seems to feel that no matter what the economic environment is like, success is in the management. "Despite the current economic and business conditions, well-managed businesses still have the opportunity to thrive and I am delighted that Eden Ventures has been able to participate in this round of funding. The role for Enterprise Product Management in the CSP market has been validated, and Tribold is in a key position to take advantage of a significant market," said Farmer.

Openet seems to have come up with a charging solution for service providers that are looking to regulate bandwidth consumption. Their "Fair Usage" solution, based upon Openet's FusionWorks™ Policy Manager and Convergent Charging products, enables service providers to enforce limits on subscriber usage volume, while allowing subscribers to purchase additional volume when limits are reached. This definitely sounds like a good idea for service providers that are seeking additional revenue sources, but customers haven't taken kindly to such an idea in the past (you may recall some of the flak Comcast received when it tried to enforce usage limits on some of its subscribers) and may not be quite ready to accept such a solution now. While the idea is to reduce customer churn, service providers may want to consider if such an action may lead to additional churn when current high-usage customers seek out service providers who don't impose such restrictions. Perhaps even average customers might be rubbed the wrong way and may expect a reduction in monthly charges. Only trial and error can tell…

It seems that the long-awaited transition to DTV is being challenged by President Barack Obama's transition team. After many months of sending out coupons, the federal coupon program has finally run out of funds. Coupons have also reportedly arrived late, after their expiration dates have past, and some coupons have been sent out to consumers who don't really need them. President Obama's team is calling for a postponement of the transition in order to make sure that consumers are actually ready for the switch, rather than having a large section of the population go without TV in the weeks following the transition, which would be a very bad situation for broadcasters. FCC Chairman Kevin Martin, however, has made comments that a delay in the transition would only add to the confusion of already puzzled consumers and lead to difficulties for broadcasters who are already doing away with their analog broadcasting equipment. On that note, Martin has offered his official resignation from the FCC, effective as of January 20, 2009, the date that President Obama's new administration began. The FCC issued an official release announcing the resignation and highlighting some of Martin's accomplishments during his time as Chairman, including broadband growth, broadband investment incentives, broadband data collection, and numerous other citations. The document seems to be particularly proud of Martin's issuance of "over $150 million in fines, most ever under any Chairman."