

Bandwidth and Pricing Concerns

By *Phil Britt*

Mobile World Congress in Barcelona was the top telecommunications event of February, with more than 49,000 (including delegates, exhibitors, contractors and media) in attendance from over 200 countries, according to the GSM Association. The event included 1,300 exhibiting companies and occupied more than 56,000 square meters of exhibition and business meeting space, GSMA added. During his keynote address, Google Chairman and CEO Eric Schmidt's keynote told a standing-room only crowd that smartphone sales would surpass that of PCs within three years if not sooner. Android handsets are already shipping at a rate of more than 60,000 a day. He also predicted that Google would soon offer a phone capable of translating conversations and would also offer optical character recognition with translation capabilities.

Schmidt pointed out that Google phones already had voice recognition and can translate some spoken phrases into different languages, "so why can't I just talk on the phone to someone who doesn't speak my language?"

Pricing a Top MWC Concern

Mobile World Congress is a focused event, and by keeping that focus the show enjoyed strong attendance figures despite a worldwide economy and travel budgets that have yet to recover to the levels of a few years ago.

One of those areas of focus was the continuing growth of mobile data traffic while fees remain relatively stable.

Tadashi Onodera, president and chairman of Japanese operator KDDI, said discussed the



problem during his mobile broadband keynote address at the Mobile World Congress.

"Implementing multiple-level data pricing for business users has proven to be very complex," Onodera said. "What we're looking at as an example is how content and traffic is bundled together, as we've seen with the Kindle e-reader device."

Bandwidth shortage is becoming an increasing concern, Onodera added "WiMAX might be a good remedy for resolving this issue, given that LTE

"Implementing multiple-level data pricing for business users has proven to be very complex."

might not be the best solution for high-density population areas in Japan."

Hans Vestberg, president and CEO of Ericsson, added that many mobile operators are starting to look at different charging models. "High speed networks are an enabler... but we must make them easier to manage, and move away from simplistic flat-rate charging."

Telecom operators will need to adopt variable pricing models for mobile data as network traffic rises and capacity gets strained, said Kenneth

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Karlberg, head of mobility services for Swedish firm TeliaSonera. As consumers increasingly use laptops and smartphones to surf the Internet and download applications, operators across the globe are trying to find ways to expand capacity and at the same time keep prices sustainable for users. Operators want to move away from flat-rate charging in part because they want to be able to fund the \$72 billion in investments in broadband technologies forecast for the current year. Asia Pacific will see the greatest investment in mobile broadband, according to the GSMA, with predicted capital expenditure of up to \$34 billion. North America follows with up to \$19 billion, with Europe expected to invest up to \$14 billion. Mobile broadband is expected to account for 52 per cent of all operator investment in mobile infrastructure globally. Of all the regions, North America will spend the greatest percentage – 80 per cent – of its total mobile CAPEX investment on mobile broadband. “The forecasted investment in Mobile Broadband

Asia Pacific will see the greatest investment in mobile broadband ... up to \$34 billion.

technologies reflects the importance the mobile industry places on enabling consumers to access any type of content on the move – whatever they want, whenever they want, wherever they want,” said Michael O’Hara, GSMA chief marketing officer. The GSMA unveiled an IMS-based initiative to address how best deliver voice and SMS services over LTE. The GSMA’s One Voice initiative initially developed the IMS-based approach, will lead the development of specifications that GSMA expects to enable interconnection and international roaming between LTE networks. GSMA expects the project to be complete by the first quarter of 2011. More than 40 companies are now part of the initiative, including major operators such as 3



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Agilent Technologies Inc., among others, hopes to capitalize on the growth of LTE. The firm has added capabilities to its Signaling Analyzer Real Time (SART) for LTE. The enhancements are designed to enable wireless carriers and network equipment manufacturers to analyze an LTE-enabled increase in network traffic without sacrificing real-time-to-results. The SART's access to air-interface data sources permits end-to-end call trace across both LTE and non-LTE network components. Agilent also unveiled a phone solution extension for its LTE Drive Test portfolio that is designed to enhance coverage monitoring capability of the company's test drive receiver.

Joint Venture

There were business combinations that occurred outside of Barcelona as well. Steria France partnered with billing, customer care and policy control solutions provider FTS to create the "Steria

Agile Billing," a solution that enables customers to monitor their usage in real time. The technology also enables providers to build pricing rules and models based on a customer's usage patterns and choice of features.

SUPERCOMM... Final Thoughts?

The Mobile World Congress figures are in large contrast to SUPERCOMM, the organizers of which announced that the event had been shelved for 2010. Though the official word is that the organizers and co-sponsors decided not to produce the show in 2010, with no word of future plans, chances of a trade show coming back to life after being "suspended" for a year are small at best. The show had suffered dwindling attendance for years, with many perennial attendees and exhibitors cutting back or pulling out entirely as the industry changed and the value of the event was seriously questioned.

"I went to SUPERCOMM throughout the 1990s, and then in the early 2000s, it became much less interesting," said Atlanta, Ga.-based telecom and wireless analyst Jeff Kagan. "The last few times

I was really disappointed. The last time I was there was four years ago. Many of the traditional players had left, it was small and quiet. Someone should have retired it then. We've gone past what SUPERCMM focused on."

Though SUPERCMM had brought in wireless carriers and equipment providers years ago, the show still had lost much of its focus, trying to address old technology, wireless, Internet and cable TV concerns.