TELSTRA VICTORY
Telstra wins its argument on share-holder class action

PIPE
Fibre carrier raises 2008/9 guidance, provides cable update

green telecom
Latest edition of our new sustainability section

COMMUNICATIONS DAY

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Optus says 900MHz 3G in bush will save $300m capital spend

Optus is convinced it can save $300 million dollars rolling out a 900MHz 3G network to regional Australia, taking on Telstra with a system it says will align it with European and Asian mobile scale economies. Having indicated plans to spread its network to 96% of the Australian population earlier this year, Optus CEO Paul O'Sullivan yesterday confirmed a $500 million spend on network kit with Huawei Technologies and Nokia Siemens Networks.

The Optus network currently reaches 60% of the country's population. O'Sullivan says it will reach 80% by June next year and 96% by December. It said an equivalent 2100MHz rollout would have cost $800 million.

Having criticised rival Telstra for pursuing UMTS in the 850MHz for its Next G 3G network, O'Sullivan said a combination on 900MHz in regional areas and 2100MHz in cities will allow it to exploit global market economies. "The use of 900MHz and 2100MHz for 3G/HSPA will give the network greater alignment with other mobile markets, as many European and Asia Pacific countries are currently either considering, or are already using, the technology. The two frequencies will inter-operate seamlessly," he said.

TENDER: The selection of NSN and Huawei as suppliers follows a protracted tender process. The two remain in the running for a separate DSLAM and DWDM tender worth up to $500 million.

A Huawei spokesman said officials were happy to receive confirmation on Tuesday. Neither Huawei nor NSN would comment on the additional resources required to service the arrangement.

NSN Australia and New Zealand head Paul Tyler said, "Nokia Siemens Networks is pleased to continue our long standing relationship with Optus. Our world-leading technologies and deployment capability will enable Optus to plan confidently for growth and the development of new applications, such as high speed mobile broadband as a fixed broadband alternative." Nokia supplied the original Optus GSM network.

O'Sullivan yesterday defended the rate of expansion of the Optus network. He confirmed that HSDPA is now available on its network in all capital cities as well as Newcastle and Wollongong. He said users will have speeds of up to 3.6Mbps when the network is complete.

"Through our national deployment, more Australians will have access to a competitive, high quality, high speed network and will be able to choose from our array of product plans and flexible pricing. The roll out is on track – we have upgraded our network in all capital cities to 3G/HSPA and the first phase of the extended upgrade is already complete," O'Sullivan said.

As with Vodafone when it announced this week an expansion of its network beyond cities to 95% of the population, Telstra yesterday took pot shots at its second-ranked rival. Telstra spokesman Peter Taylor said, "it's like promising to build a plane that is slower and smaller than aircraft already in the air. You have to wonder whether they seriously expect customers to choose a network that is slower and smaller than Telstra's."

According to O'Sullivan however, Optus will provide a better quality and wider coverage using the 900MHz frequency. "The greater breadth of coverage generated by a 900MHz 3G/HSPA base station makes it better able to cater to areas that until now have had limited choice and limited network access. This also translates into cost efficiencies as fewer base stations are required to cover the land mass between locations," he said.

Tim Marshall

Class action against Telstra dismissed

Telstra has claimed its second legal victory in as many days following a Federal Court decision to dismiss a $300 million shareholder class action against the company yesterday. The court dismissed the action, awarding judgement for Telstra who will pay a total of $5 million in settlement – less than 2% of the damages sought by shareholders.

Telstra last month agreed to put up the $5 million settlement in the action which was led by stock market-listed law firm Slater and Gordon. Telstra's group general counsel Will Irving said the settlement was in the best interest of shareholders because it was less costly than presenting the case to the court.

"Telstra expected to win the case, but we could not guarantee we would recover our costs, meaning that the small settlement offer put to us by our opponents represented the best outcome for our shareholders," Irving said.

The case was started by shareholder Andrew Taylor after it was revealed that Telstra CEO Sol Trujillo had told then communications minister Helen Coonan the telco had underinvested in infrastructure by up to $3 billion. The case claimed that Telstra had breached continuous disclosure laws when details of the meeting were revealed to shareholders almost one month after the event.

"As a result of our experience in this case, I support recent calls for tighter regulation of the people who promote these types of claims," said Irving. "Telstra was left in the position of expecting a judgment in its favour after trial, with little chance of recovering its costs. Those who profit from commencing these actions should also be exposed to costs orders if they lose."

Slater and Gordon was set to lose money over the case, in which it will receive $1.25 million in legal fees. The firm will now be responsible for distributing the $5 million settlement, which is only 1.7% of the damages it was seeking.

The funds will be split between 30,000 eligible shareholders who purchased shares between August 11, 2005 and September 6, 2005. According to Telstra, "if all eligible shareholders participate in the settlement scheme, then the payment to each will be less than one cent for every share purchased in the period."

Luke Coleman

Telstra boosts broadband, wireless packages

Telstra yesterday boosted its BigPond Liberty broadband packages while dropping prices on its Next G wireless range.

The new 25GB Liberty plans cost $10 per month more than the existing BigPond Liberty 12GB ADSL plan and $20 more per month than a BigPond Liberty 12GB Cable plan. The fastest 25GB Liberty ADSL2+ plan costs $99.95 per month, while the Big Pond cable extreme version costs $89.95.

Telstra also dropped Next G prices, with its 3GB high speed plan going from $184.95 to $114.95 per month. 200MB plans cost $54.95 per month and 1GB plans cost $84.95. Tesltra claims speeds of up to 1.3Mbps using its latest 7.2 mobile data cards. The price drops come after rivals Vodafone, Optus and 3 Mobile all slashed mobile data costs, with Vodafone offering 5GB of downloads for $39 on a 24 month plan. 3 Mobile has halved its prices over the Christmas period, with 2GB for $24.50, 3GB for $34.50 and 5GB for $49.50 per month.

"For ADSL and Cable customers, our BigPond Liberty 25GB plans recognise that customers are consuming increasing amounts of information online with the growing popularity of user generated content sites such as YouTube," said BigPond boss Justin Milne. "It really is the 'set and forget' plan for families with networked homes. 25GB per month is an awful lot of data and even big families with several computers and devices connected to the net via BigPond should find that it's more than enough."

Luke Coleman

Emagine grab for mobile advertising boom

Australian marketing automation company Emagine claims that mobile advertising will become a booming part of its business, following the successful launch of its system with Vodacom in South Africa. The company, which provides services for Telstra and AAPT in Australia, says nobody knows how mobile advertising will work in coming years, but initial results of a new system have been promising.

"Mobile advertising is a pretty hot area for us," Emagine founder and CEO David Peters told CommsDay. He says that carriers globally are "talking and not doing" mobile advertising as they await proven methods of monetisation. "There's a lot of testing going on and a lot of concepts, even this with Vodacom is really a test – does opt-in work? Do we get a good value customer? Do we just get people who want to subsidise SMS but don't read the ads? Is there any return on advertising revenue? They're running a whole bunch of different trials," he said.

"There no doubt that everybody thinks mobile advertising is the next big thing, but there's a fair bit of contention about what customers are going to accept, and whether customers are going to accept it at all," said Peters. "I don't think there's an operator globally that really knows what landscape's going to look like in three to five years time."

Peters claims mobile operators need to act quickly on mobile advertising before walled gardens fall. "There is a danger for operators to miss the boat – I can already get on the internet on my mobile, Google pushes me an ad – it's already happening without [the carriers], the only real advantage they've got is the customer profile. Otherwise your phone just becomes another TV set for untargeted advertising," he said.

At the beginning of the year Emagine signed a deal to provide its marketing campaign automation software to Vodacom, and says now that Africa is its biggest target for further growth. The Vodacom deal uses Emagine's software for its 30 million South African subscribers, and Emagine has expansion plans with more Vodacom covered nations "in the pipeline."

Peters also claims that Emagine has been shortlisted for a contract with a major Middle Eastern carrier which would serve some 80 million users. On top of African and Middle Eastern expansion efforts, Emagine will begin seeking acquisitions to bolster its product offering during the new year.

Luke Coleman

Pipe raises guidance

Pipe Networks has upgraded its financial guidance for the current and next financial year, predicting revenues of between $33 and $35m this year and net profit of $7-7.4m, over 10% higher than previous forecasts of $30m.

It also expects 2008/9 revenues to reach $44-6m with net profit of $10m plus.

Pipe attributed the expected growth to both datacenter and dark fibre revenues. MD Bevan Slattey said the "biggest change in our business and quality of earnings" was the growth of new on-net corporate and government revenues, which generated higher margins.

Pipe also said its board had approved a legal and financial structure for its planned Sydney-Guam cable and was now in a position to "execute" sales agreements and "shortly" make a decision on whether it proceeds. That decision was originally slated for September.

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Publisher: Grahame Lynch
Grahame.lynch@gmail.com
+66 81 7017664
Decisive Mail
PO Box A191 Sydney South NSW 1235
AUSTRALIA.
Decisive Fax: +612 9261 5434
Decisive Internet: www.commsday.com

For advertising details contact Sally Lloyd at-
sally@commsday.com.au or call 02 92615435

Chief Editor: Tim Marshall
Tim@commsday.com.au
02 9261 5436

Journalist: Luke Coleman
02 9261 5490 luke@commsday.com.au

Editor, United States: Patrick Neighly
Pneighly@madyakpress.com
Editor, SE Asia: Geoff Long
geoff@commsday.com.au
Correspondent, Auckland: Juha Saarinen
juha@saarinen@org

For subscription details contact Laraine Davis at
laraine@commsday.com.au or phone at 02 9264 1781

CSG acquires Change Corporation

ICT services company CSG has acquired Perth-based systems integrator and infrastructure services company Change. CSG claims that the Change acquisition moves it into the tier one customer space. "Our existing applications services business in Perth addresses the SME marketplace and we see significant future growth in this sector. The acquisition of change represents a significant move for CSG up the value chain from both a customer and geographic perspective," said CSG CEO Denis Mackenzie.

The acquisition will provide a necessary boost to CSG's application business unit, which is currently its smallest revenue contributor. Change's tier one customer base includes medium-large scale corporates and federal and state governments, which will scale up CSG's offering from the SME market.

The acquisition will cost six times the company's 2008 profit before tax, with an initial payment of $20 million. The deal includes an earn out that requires CSG to pay five times PBT growth between 2008-9, and four times PBT growth in 2009-10.

Luke Coleman

AdStream to plug Vividas video solution

Australian digital marketing innovators Adstream and Vividas have partnered to deliver streaming video solutions to the advertising and corporate communications markets.

Vividas has successfully negotiated for the inclusion of its broadcast tools with AdStream's advertising management and delivery systems. Based in Melbourne, AdStream now claims coverage in 42 countries.

AdStream managing director Peter Miller says marketing industry clients are looking for ways to improve their utilisation of video. He said, "the addition of Vividas to the broadcast suite gives brand owners, agencies and production houses the means to collaborate in HD. The quality and reach of the Vividas format, notably its ability to play over most corporate networks, will greatly enhance our clients' abilities to manage their video assets."

While founded in Australia, Vividas is now listed in the UK and boasts bases in London and New York. The group has run such big-name online video campaigns as the Carlton Group's Big Ad and Flash Beer. Vividas Asia Pacific CEO Dave Winter said AdStream would provide strong new links with brand owners and agencies.

Tim Marshall

CHIME LODGES NEW ACCESS DISPUTE

Chime Communications has notified the Australian Competition and Consumer Commission of a new access dispute with Telstra. The two have apparently come to an impasse over supply of the Line Sharing Service from Telstra to Chime beyond 31 December this year. The ACCC has begun arbitration.

SMART METERS FOR NSW

Energy Australia has installed electricity smart meters in 160,000 NSW homes. The deployment will soon be expanded throughout the state. The move comes as electricity suppliers nationally consider plans to implement a smart grid across their networks to improve efficiency.

IINET NEW CFO

Perth-based carrier iiNet has announced that it has hired a new CFO from the UK, replacing Stephen Fewster who tendered his resignation last month. Virgin Media UK finance director David Buckingham is joining iiNet and will work alongside Fewster, who is remaining at the company until next March. Buckingham will also be the firm's company secretary.

green telecom

The path to sustainable telecommunications practices

DECEMBER 14 2007: Green Telecom is a new fortnightly supplement with all CommsDay regional editions highlighting the move towards sustainable use of telecoms products and services. Editor: Tony Chan at tony@commsdaymail.com. More information can be found at http://energy4technology.blogspot.com/

Google aims to accelerate renewable energy development

Internet-giant Google took the industry by surprise with news that it will launch a new initiative known as RE< C, or renewable energy cheaper than coal.

RE < C's core objective is to build 1 gigawatt of renewable energy capacity at a cost cheaper than current coal power. 1 gigawatt of energy is enough to supply a city the size of San Francisco.

With power being a major cost for Google, the company has focused much effort on planning and resolving energy requirement issues, including the installation of a 1.6 megawatt solar power system at its Mountain View headquarters, which provides 30% of the peak power necessary to fuel the buildings. While Google has consistently declined to reveal its energy requirements and usage, industry insiders say the availability of sufficient and cost effective power plays a major role in the location of the company's massive data centre facilities.

"We have gained expertise in designing and building large-scale, energy-intensive facilities by building efficient data centres," said Larry Page, Google Co-founder and President of Products. "We want to apply the same creativity and innovation to the challenge of generating renewable electricity at globally significant scale, and produce it cheaper than from coal."

As part of the RE< C initiative, Google is building up its internal expertise and is hiring a team of engineers in renewable energy technologies and green business strategy, as well as technical skills in a range of areas, including regulatory issues, land acquisition and management, construction, energy project development, mechanical and electrical engineering, thermodynamics and control systems, physics and chemicals and material science.

Page continued, "With talented technologists, great partners and significant investments, we hope to rapidly push forward. Our goal is to produce one gigawatt of renewable energy capacity that is cheaper than coal. We are optimistic this can be done in years, not decades."

Google is working with two companies, eSolar and Makani Power Inc, in advancing their technologies. eSolar specializes in solar thermal power while Makani Power is developing high-altitude wind extraction technologies.

HP sources solar and wind power for Irish, US facilities

Joining an increasing number of corporations tapping into alternative energy solutions, HP announced that it has entered into two purchase contracts for solar and wind energy.

In the US, HP has entered into an agreement with solar power systems producer and systems integrator, SunPower, to install and maintain a 1-Megawatt solar power generation system at its San Diego facility. The solar electric system will be financed and owned by an unnamed third-party, allowing HP to benefit from the project with no upfront capital costs.

HP will then buy back the electricity from the solar installation at a "reduced, locked-in rate under the SunPower Access program." With the SunPower Access program, SunPower designs, constructs and maintains solar electric power systems to the customer's requirements. Rather than paying for the system itself, the customer pays for the solar electricity generated over a long-term power purchase agreement. SunPower is also the supplier for solar power installations for Google, as well as big names such as Walmart.

Initial estimates by HP indicate a savings of about $750,000 in energy costs during the next 15 years and result in renewable energy credits because the solar facility will reduce carbon emissions by over 1 million pounds per year.

The San Diego installation includes 5,000 solar panels atop five of seven HP buildings. The panels, which are made up of photovoltaic cells, will generate approximately 1,676,000 kilowatt-hours of electrical energy per year – enough to provide more than 10 percent of HP's energy use at the facility.

Meanwhile, HP has contracted Irish wind energy producer, Airtricity, to provide as much as 80 Gigawatt-hours of renewable energy, equivalent to nearly 90% of HP's power requirements in the country. Through the use of wind energy, HP estimates an approximate savings of $40,000 over the 1-year contract, with reduced carbon emissions equalled to taking 9,600 cars off the road for the period.

Business leaders call on UN to develop legally-binding framework to tackle climate change

Senior executives from 150 global companies have signed a communiqué to the United Nations calling for a comprehensive, legally-binding framework to combat climate change.

Led by The Prince of Wales's UK and EU Corporate Leaders Groups on Climate Change, which are developed and run by the University of Cambridge Programme for Industry, the communiqué was submitted at the end of November – days ahead of a two-week UN Climate Change Conference in Bali, Indonesia to discuss international carbon emission reduction measures after the expiration of the Kyoto Protocol in 2012.

As of November 2007, 174 states have signed and ratified the Kyoto Protocol. The only major economy that does not support the Kyoto Protocol is the US.

Citing "very serious global social, environmental and economic risks" from climate change, the group states "the benefits of strong, early action on climate change outweigh the costs of not acting."

The communiqué goes on to state: "The shift to a low-carbon economy will create significant business opportunities," and argues that a "sufficiently ambitious, international and comprehensive legally-binding United Nations agreement to reduce greenhouse gas emissions" is essential in providing "business with the certainty it needs to scale up global investment in low-carbon technologies".

But most significantly, the business leaders argue that "the overall targets for emissions reduction must be guided primarily by science". This is in contrast to the argument that has previously been made by some parts of the business community that it is concerns over competitiveness and cost that should set the limit of emission cuts.

The Bali Communiqué was sent directly to the 130 Environment Ministers that will be attending the Bali conference

Communiqué signatories from the telecoms and IT-related space include, Sir Richard Branson, CEO of Virgin; René Obermann, CEO of Deutsche Telekom AG; Olli-Pekka Kallasvuo, CEO of Nokia and Simon Beresford-Wylie, CEO of Nokia Siemens Networks; Zouhair A. Khaliq, president and CEO of Mobilink Pakistan; Simon Lewis, group corporate affairs director of Vodafone; Hideki Komiyama, president at Sony Ericsson Mobile Communications, as well as representatives from Sun Microsystems, Cable & Wireless, O2 and Symantec.

2.7% of energy is used for data processing in data centres

Despite high energy consumption by data centre installations, only a fraction of a fraction of the power goes to actually processing data inside existing facilities.

According to Gary Chan, IBM Greater China's Executive IT Architect, Systems Architect Leader at the Systems & Technology Group, typical data centres spend 55% of their overall power on cooling and other environmental control and only 45% on the IT load such as servers and hardware. Of that 45% on the servers, 70% is used to maintain the power supply, memory, fans and drives, leaving only 30% for actual processor, which in itself is idle 80% of the time. This means that only 20% of 30% of 45% of the total power consumption (or 2.7%) is actually used for data processing.

Chan was speaking at the Green Computing Forum 2007, organized by the Hong Kong Open Source Software Centre.

Macquarie picks Sun servers on 'green' credentials

Macquarie Hosting says it awarded a $1 million supply deal to Sun Microsystems based on energy saving criteria. It claims the new equipment will drive up to 60% less energy usage compared to current systems.

Macquarie managing director Aidan Tudehope says Sun's selection followed a six months energy monitoring project across its data centre facilities. It found that the greatest sources of power consumption were servers, switches, firewalls and air conditioning units which contributed over 85% of the total cost of operation.

Tudehope said, "there's a lot of vendor hype around green IT in the market at present. In our experience it's really important to measure the technologies that actually deliver in a range of environments. On the basis of our study findings, with an absolute focus on reducing our carbon footprint, we're now moving to Sun."

The initial $1 million contract will see 200 Sun Fire X64 Series servers deployed in Macquarie's so-called Intellicentre. The move is expected initially to improve efficiency of Macquarie Hosting's data centre energy consumption by more than 650,000 KwH per year. Average households consume between 7,000 to 8,000 KwH annually. This equates to over 600 tonnes of CO_2 emissions, according to Energy Australia.

Macquarie's announcement follows news of plans for Nextgen's data centre operator Metronode to expand its 'green' facilities. Both Macquarie and Metronode report increasing demand from customers for environmentally conscious communications solutions.

Tim Marshal;

Environmentally-friendly data archiving in Iceland

Hitachi Data Systems has partnered with Icelandic facilities operator, Data Íslandia, to offer what the companies' claim is the world's most environmentally friendly outsourced data archiving service.

The service will leverage Data Íslandia's storage facilities near the town of Sandgerdi on the Reykjanes peninsula in southwest Iceland, which are completely powered by geothermal and hydroelectric energy, as well as archiving technology from Hitachi to manage stored data for optimal compliance, risk containment, governance and operational advantage.

"Organisations are focused on making their data centres more efficient, but virtualising six-month old information, which is effectively digital toxic waste, is a very poor use of resources. Instead, they should be looking to completely remove this data from the corporate network," said Sol Squire, executive member of the Board of Directors and CBDO for Data Íslandia. "We offer an ideal solution, with our geographic, regulatory and environmental advantages combining to offer very stable long-term rates on archival storage."

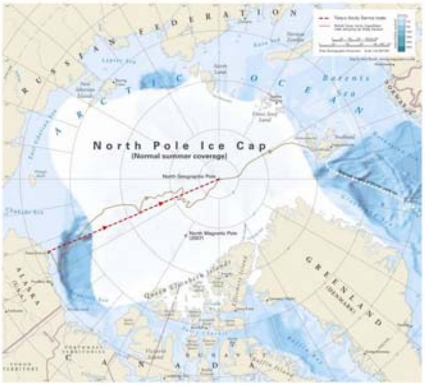
Data Íslandia will use the Hitachi Content Archive Platform as the core digital indexing and archival platform, and will utilise Hitachi's flagship storage system, the Universal Storage Platform V, for the storage of the archived data. The service aims to offer decades-long archival services, including the migration of data across generation of storage technologies. The platform also allows online access to archived data.

The announcement highlights the demand for data archiving and managed storage services, says Ian Brown, senior analyst at Ovum.

"The second trend - that of building data centres and facilities away from urban centres and closer

to energy sources - is one that we expect to become more prevalent in the years to come," Brown said.
"Google is already building data centres close to power stations on the banks of the Columbia River. On a smaller scale, IT services companies such as Data Islandia see the value of locating their facilities close to sources of renewable energy and it goes beyond just wanting to be green. The principle is a good one: it's easier and more efficient to transmit data over long distances, than it is to transfer electricity."

Team embarks on Vanco Arctic Survey



Telecoms service provider Vanco is sponsoring a survey of the Arctic ice cap. The expedition consists of explorer and environmentalists Pen Hadow, Ann Daniels and Martin Hartley. The team will be equipped with ice-penetrating radar to capture the thickness of the ice every 20 centimetres, which will result in the most detailed and accurate data of the thickness of the Arctic polar ice cap. Their conclusions will assist governments throughout the world to prepare for the consequences of its meltdown.

The expedition will leave Point Barrow, Alaska USA in late-February 2008 and is expected to arrive at the North Pole by early-June 2008. The team will walk 1,890 kilometres in 120 days in temperatures as low as -50 degrees Celsius. Green Telecom will bring you regular updates of the Vanco Arctic Survey.

12% of Americans will pay more for green electronics: A new study conducted in the US by Forrester Research has found that over 50% of Americans are concerned about the environment, while 12%, or some 25 million Americans, are "absolutely" willing to pay a premium for environmentally-friendly electronic goods. The study, In Search of Green Technology Consumers, surveyed 5,000 adults on their attitude towards green electronic goods.

WebEx releases Green Guide for Office: Web conferencing provider, WebEx, a Cisco company, has released what it calls the Green Guide for offices. The booklet includes contributions from The Climate Group, WebEx, Quocirca, Cisco, Vodafone and Fujitsu-Siemens, and outlines tips on reducing energy consumption and waste from the perspective of travel reduction, employee behavioural management, mobile communications, desktop computing and data centre operations.

Bouygues Telecom to build positive-energy facility: French mobile operator Bouygues Telecom will build two environmental-friendly facilities located at the entrance to the Meudon-la-Foret business part outside Paris. The first facility will be a technical centre built according to a High Environmental Quality approach, which leverages advance architectural design and materials to reduce the building's heating and cooling requirements, as well as other systems such as photoelectric cell-equipped lighting that auto-adjusts luminosity depending on the availability of natural light.

Xerox raises emission reduction target: Having bested its 10% emissions reduction target by 2012 with an 18% reduction in greenhouse gas emissions since 2002, Xerox says it has set a new target of reducing its emissions by 25% from 2002 levels by 2012. In addition to preventing the emission of 87,000 metric tons of carbon dioxide in 2006, the equivalent of taking more than 18,000 cars off the road, Xerox's GHG reduction program saved the company $18 million last year, the company said.

LG Electronics forays into new energy: Starting next year, LG Electronics will diversify its business by launching energy solution services and energy-efficient systems. LG plans to begin an energy consultancy, which will be customized to help different customers develop their own eco-friendly management. LG will work with customers through the entire process of establishing an energy system for public buildings, from suggestion to planning, ordering, operational supervision and maintenance of the energy system.