

**VODAFONE: Freedom emphasised in radical plan shake-up**

**SUB CABLES: Pauline Hanson drives Sunshine Coast push**

**OPTUS WHOLESALE: Wins supply deal with power bundler**

**PIVOTEL**

**Expanding into  
US market following  
acquisition**

# COMMUNICATIONS DAY

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## Radisys targets Australian market, aims to compete or partner with entrenched vendors

CommsDay can reveal that US telco supplier Radisys is going after a foothold with major carriers in the Australian market, its particular business model setting it on course to both compete against and cooperate with entrenched vendors such as Nokia, Ericsson and Huawei. **EXCLUSIVE**

Founded in 1987, Radisys has been focused on selling solutions into the fixed and mobile telco industry for a large part of its history – initially supplying compute and switching hardware for everything from basestations to gateways, then adding software elements such as media processing and access protocols, and also bringing in managed services. Until recently, the firm sold only to telecom suppliers and original equipment manufacturers. However, when current CEO Brian Bronson took on his role five years ago, Radisys began selling direct to large carriers as well; early beachhead wins included Verizon and LTE cellco Reliance Jio in India.



“We’re a disruptor [that] doesn’t have legacy baggage... if [carriers] want to replace a traditional hardware vendor, if they want to decompose a particular network element, if they want to embrace open source principles such as central office re-architected as a datacentre, or open source radio access network, we have all those capabilities,” Bronson told CommsDay, adding that trends such as open source and virtualised networking had opened fresh opportunities for newer, disruptive players. And while Radisys’ shift into direct carrier sales has meant a certain amount of ‘co-opetition’ with its vendor clients, he said there was sufficient business available with large telcos to make it work – particularly with those same carriers now moving away from the older paradigm of total vendor lock-in, even while still maintaining strong relationships with established suppliers.

“The best example I can provide is Nokia, which was by far and away our largest customer for over a decade; we shipped them, at one point, over \$150 million of hardware-centric products that went into gateways, switches, basestation controllers. We then [told] them ‘we’re getting out of that business... but we will continue to supply our media processing software’... and a little later on, we started to compete with them with our telecom open compute rack,” he said. “What you’re finding in the ecosystem is this ‘coopetition’; one minute you’ll be a foe, one minute you’ll be a supplier, one minute you’ll be a partner... Nokia’s still a key channel partner for us [as is] ZTE in China...

but in general, because of the way the economic model is changing, we're largely going direct with operators."

**COMING TO AUSTRALIA:** Now, Radisys is aiming to expand into Australia as part of a broader focus on specific geographies.

"We are in active dialogue with large carriers in Australia and the region," said Bronson, adding that New Zealand and the Pacific Islands would be a natural area for expansion down the track.

Bronson has already brought in Angus Stuart-Adams (right) as country director for ANZ and the Pacific Islands, under Ruchir Srivastava as APAC VP, and Radisys is also working with Australian networking and IT distribution company Newgen. "Our next step will be hiring a systems engineer [to] go along with Angus, but really leaning on Newgen, that's a local presence here," he said. "Further [along], we'll be looking to put onsite engineers in these operators as well - [although] not all of them would be Australian residents, but would be onsite, living here and helping disrupt."



The CEO added that locally dominant vendors like Nokia, Ericsson and Huawei "would be the competitors/partners that we'd be cooperating with! It's not always about competition; it's about how we rewire the network for 5G, and to embrace open-source principles... the reality is we'll be working with them to help the operators disrupt, with the concept being not just to displace them but to get the operators in a better position to get what they want."

"Around the globe, you've got these incumbent vendors and telcos do want to remove some vendor lock-in; at the same time, they're trusted partners and there's a lot of risk in upsetting the network if you do too much. Radisys [presents] a perfect, low-profile way to have your cake and eat it too."

Radisys is listed on the US NASDAQ and posted consolidated revenue of US\$212 million in its most recent full-year results.

Petroc Wilton

## **Pivotal to expand into North American market following GMN acquisition**

Australian satellite and mobile provider Pivotal will expand into the North American market following the acquisition of US-based satellite technology firm Global Marine Networks. The multi-million dollar acquisition, which is expected to close on September 1, also provides Pivotal with key intellectual property that it will integrate into its Australian network.

Pivotal CEO Peter Bolger told CommsDay that the acquisition would provide the firm with a foothold in the North American market and a base from which it could expand. Pivotal will keep all 12 staff at the GMN headquarters in Tennessee but will also look to increase the headcount and introduce its own



# COMMSDAY MELBOURNE CONGRESS - 2017

## FEATURED SPEAKERS INCLUDE



Symbio Networks'  
Rene Sugo



Wideband Networks'  
Phillip Britt



Vodafone Australia's  
Ben McIntosh



AMTA's  
Chris Althaus



Comms Alliance's  
John Stanton



ACCAN's  
Teresa Corbin



New Street Research's  
Ian Martin



Netcomm Wireless'  
Steve Collins



Imediate Consulting's  
Bob James



Telsoc's  
Professor Reg Coutts

CommsDay Melbourne Congress is the peak telecommunications industry event in the state of Victoria. The event is now in its 10th year and attracts nearly 300 delegates from the telecom sector C-suite. The Congress returns in 2017 bigger and better than ever, with signature keynotes from NBN, Telstra, Optus, Vodafone, Macquarie Telecom and government.

**FEATURED SPEAKERS** from Symbio Networks, Telstra, Optus, Vodafone, NBN, Wideband Networks, Macquarie Telecom, Comms Alliance, ACCAN, Nokia, Cyient, Netcomm Wireless, Cisco, NEXTDC, Coutts Communications, Imediate-Consulting, ACMA (TBC), ACCC (TBC) and Federal Parliament

**FANTASTIC NETWORKING OPPORTUNITIES** to meet new business contacts and re-establish existing relationships in what is the state of Victoria's peak telecommunications industry conference.

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## Deep dive with three specialist sessions

### DATA CENTRE & WHOLESALE

Australia's data centre and interconnection sector is hotting up. Sydney was just ranked the no 1 cloud hub in Asia Pacific and the competition between NextDC, Equinix, Vocus, Metronode and others is intense. This session will look at the state of new builds in Australia, especially in secondary markets, how new international capacity will affect industry dynamics and the state of wholesale and interconnect, especially in the NBN retail market.

### WIRELESS FUTURES

5G and the Internet of things promise to completely revolutionise the telecommunications business. But they also present immense challenges. IoT requires almost perfect coverage but with a cheap bit rate and a new revenue model for carriers. 5G is predicated on hitting the physical limits of what is possible with latency and speeds, with capital expenditures to match. How are legacy telcos reacting to these challenges?

### SUPERFAST BROADBAND

NBN is entering the peak year of its rollout as exciting new upgrade options such as G.Fast, and Docsis 3.1 come onto the market. What are the future directions in terms of technology, market demand and regulatory structure in the 25-100Mbps market? What can be done to stimulate market demand for higher speed offers and enhance competition? And how can both NBN and RSPs price products that satisfy consumers while returning profits?

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technologies.

“We believe that what we do here in Australia is unique and we will look to share knowledge between the two companies and invest further in the US market,” Bolger said.

Pivotel is already a reseller of GMN's product lines. Its core products are focused on speeding up satellite data while also lowering usage costs. These include the GMN RedPort brand of satellite VoiP, data routers and services.

Bolger said the acquisition was a natural fit for Pivotel to provide solutions to the satellite industry's pain points of slower and more expensive data downloads. It will also be a key asset in its own burgeoning push into the satellite data market in Australia.

“Satellite phone technology has come a long way in a few short years. Data downloads are comparatively slow, sometimes painfully slow, and are notoriously expensive on a satellite network, but we know our customers increasingly need to access the Internet and apps for both business and personal use,” Bolger said.

“It makes sense then for us to partner with a leading satellite solutions developer, to offer our customers with access to faster, more affordable content for an improved user experience. By bringing their expertise in-house we are also able to develop more tightly integrated solutions that leverage Pivotel's network infrastructure.”

GMN CEO Luis Soltero also agreed that the two companies were a good fit. “We had spoken with a number of potential suitors but were won over by Pivotel's commitment to the satellite data market and their desire to continue investing in new and improved solutions while also wanting to grow the international sales of the GMN RedPort product suite,” Soltero said. “Both Pivotel and GMN have a reputation for being innovative companies with a strong track record in R&D, so we felt very comfortable about the cultural alignment and now look forward to joining the Pivotel family.”

The GMN deal is Pivotel's first international acquisition, although it has made previous domestic acquisitions and also has operations in other overseas markets including New Zealand.

Geoff Long

## **Vodafone dumping 2-year lock-in contracts, decoupling device payments**

Vodafone has unveiled radical changes to its postpaid plan lineup in a bid to win more market share.

Dumping the 24-month contract long-established in the industry, the firm is offering SIM-only month-to-month plans, alongside 12-month plans with larger data allowances to compensate. At the same time, it has launched a new series of Red month-to-month plans that come with handsets – but with those devices on interest-free monthly device repayment schedules spread across one to three years, completely decoupled from voice and data charges.

With immediate effect, Vodafone's suite of Red plans – at six price points, ranging

from \$30 for 3GB to \$100 for 50GB – will be month-to-month, and sold linked to a range of handsets on separate interest-free monthly repayment schedules spread over 12, 24 or 36 months. This provides easier granular visibility of device costs and, perhaps more importantly, customers wanting to leave their plan can do so at any time simply by paying off the remaining balance of their handset value; there's no penalty for doing so, other than an \$8 charge if they want to port their number to a different provider.

For customers wishing to bring their own device, Vodafone will also now offer SIM only plans either on a month-to-month basis, with data allowances starting from 1GB on a \$30 plan and ranging up to 25GB for a \$100 plan; or on 12-month contracts at the same price points, with the allowances going up to 2GB-50GB.

All plans include unlimited standard national calls and texts, with higher priced plans adding bonuses such as a choice between 2GB additional data or allowances of international voice minutes to selected countries, and Vodafone's \$5 daily roaming service. The carrier will also allow customers to buy phone accessories, insurance and other extras with the cost split out and added to plans.

Vodafone consumer business unit director Ben McIntosh cast the shakeup as a “gamechanger in the market” and claimed it was the first “real innovation or change in the way that Australians buy postpaid phones since 1995.”

**RISK ASSESSMENT:** The shorter plans and decoupled handset repayments obviously mean more risk for Vodafone, with revenue guaranteed for shorter periods and easier options for customers to jump ship even while still paying off their devices. However, McIntosh was confident that the potential gains in terms of customer attraction and loyalty outweighed the liabilities.

“In any business case where you throw down the gauntlet and... disrupt, there's always risk,” he told CommsDay. “If you give customers true flexibility, true transparency, the best offers at all times: why would they leave? We believe this is going to be positive for our business case overall.”

Petroc Wilton

## **One Nation joins push for Sunshine Coast cable protection zone**

Pauline Hanson's One Nation party has stepped in to push the case for a submarine cable protection zone to be declared on Queensland's Sunshine Coast, with the ultimate goal to attract a new cable connection to the area.

Hanson was instrumental in setting up a meeting in Canberra on Tuesday afternoon between communications minister Mitch Fifield, Sunshine Coast mayor Mark Jamieson and the Australian Communications and Media Authority.

She said the aim of the meeting was to get the protection zone proposal “back on track” and push the case for a new submarine cable. An ACMA spokesperson acknowledged the meeting, which the spokesperson said provided an opportunity for the regulator to outline the steps that the legislation required it to follow in declaring a protec-

tion zone.

One Nation state leader for Queensland Steve Dickson arranged the initial meeting between Hanson and Sunshine Coast officials on a visit to his Buderim electorate two weeks ago. He told CommsDay that feedback since the meeting had been positive and that the party planned to continue to push for the Sunshine Coast protection zone.

“We've got Pauline Hanson with a fair bit of power in the federal government, so it's about time we started using that to our advantage,” Dickson said.

The Sunshine Coast Council has been lobbying for the protection zone since 2015. It believes investors are more likely to land a cable in the region if the protection is available. Suggestions have been made that a link could be provided to the Sydney-Guam cable, which passes 150km east of Moreton Island.

The council has also started the process of attracting investors by initiating a comprehensive feasibility study and business case for a new cable. It received \$250,000 in the last budget to conduct the study, which is now underway.

The feasibility study aims to address two outcomes: an evaluation of the financial and commercial viability of landing an international undersea cable on the Sunshine Coast; and the capital and business investment opportunities that could emerge.

A previous market study undertaken by AEC group has forecast that delivering a submarine cable connection to the Sunshine Coast will generate an additional A\$700 million to its economy annually and A\$1.1 billion annually to Queensland's economy.

The South East Queensland Regional Plan, launched last week, also gave support to the idea for a Sunshine Coast cable zone. According to the plan, a cable would provide new opportunities to compete nationally and internationally for more high-value, technology dependent enterprises.

Australia currently only has three cable protection zones in force: two in Sydney and a third off the Western Australian coast in Perth.

Geoff Long

## **Optus Wholesale locks in partnership with BTB**

Optus Wholesale has sealed a partnership with Melbourne-based wholesale telco provider BTB, set to enable the latter to onsell NBN access services from Optus to BTB's major retail energy client Winconnect.

BTB provides a white label service with everything from customer support and billing to debt collection and network design, along with NBN access, so that clients can focus on sales, marketing, and their go-to-market approach. Winconnect, for instance, will be able to bundle broadband and home energy services to customers moving into new houses or relocating.

“This relationship is unique in that it highlights the support existing NBN resellers or potential resellers can access to enter the NBN market without building a telecommunications business from scratch,” commented Optus Wholesale sales and marketing VP John Castro.

“The partnership between BTB and Optus presents an opportunity for many brands and companies to enter a large segment of the telecommunications market with very little obstruction or capital investment,” added BTB Australia MD Brendon Brackin.

Petroc Wilton

## **New Zealand looks to set conditions on future rocket launches**

The New Zealand government has kicked off a public consultation on the environmental impact from its nascent rocket launch activity. Environment minister Nick Smith said there was a need for balance between encouraging a growing industry and protecting surrounding areas.

The impacts of launches have been assessed as small and the proposal from the government is that future launch activity will be permitted for all ocean area to the north, east and south of New Zealand, subject to a standard set of conditions. The conditions limit the number of launches to 100, require a 14 day public notification of the launch and flight path, and post-launch reports on the activity.

“Space rocket launches are a new and exciting industry for New Zealand, which the Government wants to help develop in a safe and responsible way. These latest proposals are about further assisting this technologically advanced industry to grow while ensuring we maintain our high environmental standards,” Smith said.

According to its consultation report, the environmental issue stems from before a rocket reaches orbit, where some material is jettisoned and falls back to earth. This material may burn up in the atmosphere but some may land in New Zealand waters and deposit on the seabed.

Space startup Rocket Lab has already conducted its initial test launch from the Mahia Peninsula and is planning a second test launch in the coming months. Smith said that the government wants to provide a practical regulatory regime in which the industry can continue to grow.

The public consultation closes on 13 September 2017.

Geoff Long

## **OPTUS KICKS OFF \$1BN REGIONAL SPEND WITH CADIA TOWER BUILD**

Optus has announced a funding partnership with Huawei, Infigen Energy and Newcrest Mining to build a new mobile tower in the Cadia District, New South Wales. With no dedicated mobile tower support currently in the area, the new tower will go up in addition to a site being built under the federal government’s mobile black spot program. Last month, Optus CEO Allen Lew announced that the carrier would spend \$1 billion this financial year in improving and expanding its regional mobile network.

## **STAN REACHES 800K SUBSCRIBERS**

Streaming video service Stan now has 800,000 subscribers, according to as powerpoint presentation released as part of half owner Fairfax Media’s annual results yesterday. It

said its subscription revenues increased 150% in a year when operating costs increased just 25%.

## **INTERNATIONAL**

### **Verizon to offer priority service on mobile network to first responders**

Verizon is striving to defend its market share in the first responder market in the face of a market assault from AT&T's FirstNet national emergency wireless network, which is backed by US\$6.5 billion of federal funds. Verizon's strategy involves providing priority service on its existing mobile network.

"We're serious about remaining extremely relevant in this space," Verizon SVP Michael Maiorana told the Wall Street Journal.

Verizon says it is offering its Private Network Traffic Management service – designed to provide quality-of-service prioritization to subscribers – at no cost to public-safety users. It is also studying the use of preemption which allows public safety users to override the network.

"We're studying [preemption], and we're looking at when and where that might be needed. It may be needed on the worst of the worst days, where there's a complete, horrific disaster," Maiorana told Urgent Communications magazine.

Although AT&T has received federal funds and dedicated 700MHz spectrum for FirstNet, there is no obligation on individual state agencies to use its services.

"We've got great relationships down at the local, county and state levels with these [public safety] customers," said Maiorana at an APCO event this week. "We want to make sure that they know that we're here to stay. We're going to continue to evolve to deliver them network, support and products that they need to do their job."

Verizon claims a greater legacy market share in the first responder space than AT&T. But AT&T has scored some big wins for FirstNet, with Kansas and Arizona announcing this week they would join the network taking the total commitment to 14 states.

Grahame Lynch

### **Gartner's three trends for the future and where telcos can play**

Gartner has released its 'hype cycle' report for emerging technologies for 2017, highlighting three distinct trends that it believes will impact the future of the ICT industry and a number of key technologies that the telecoms industry could have a stake in.

According to the latest report, "artificial intelligence everywhere, transparently immersive experiences and digital platforms" are three trends that will "provide unrivalled intelligence, create profoundly new experiences and offer platforms that allow organisations to connect with new business ecosystems."



Among the key trends, artificial intelligence technologies was pegged as the most disruptive class of technologies over the next 10 years. Amongst the AI techs highlighted by Gartner, at least three will present opportunities for telcos: autonomous vehicles with their obvious need for connectivity, commercial unmanned aerial vehicles that also need to connect to control systems and conversational user interfaces that will need to connect to cloud platforms.

The other two trends, transparently immersive experiences and digital platforms, likewise require connectivity. For immersive experience technologies such as augmented and virtual reality, the need for connectivity is a given. As for digital platforms, Gartner pointed to key technology requirements such as 5G, edge computing and the Internet of Things.

Tony Chan

## **UAE fund pledges US\$5bn subsea spend on the back of FPT buy**

A private investment fund based out of the United Arab Emirates has unveiled ambitions to become a major international network operator following the purchase of US headquartered Fibre Prime Telecommunications.

As part of the announcement of its purchase of 62.5% of FPT, the Abu Dhabi Investment Group said it planned to inject a further US\$5 billion into the sector to turn the unit into a “top tier worldwide subsea cable company.”

According to the company, the combined assets of ABDIG and FPT already create a “market leader managing more than US\$10 billion of subsea, IT and telecom assets worldwide.”

The new company will operate under the FPT brand with ABDIG CEO Samir Auedd as FPT CEO. Former FPT CEO Luiz Fuschini will take on the role of FPT chairman and president.

No financial details were release for the deal. Beyond its boiler plate description of being founded in 2000 and managing over US\$36 billion of assets, little information is available regarding ABDIG. According to the ABDIG, its investment platforms are across a wide range of assets classes, including private equity, growth venture and real estate.” There is no information online on the firm’s portfolio.

Tony Chan

## **MICROSOFT BUYS CLOUD ORCHESTRATOR CYCLE COMPUTING**

Microsoft has acquired cloud orchestration firm Cycle Computing. The deal gives Microsoft access to Cycle Computing’s CycleCloud product, which Microsoft said would “make it easier than ever for customers to use ‘high performance computing’ and ‘big computing.’” “Combining the most specialised ‘big compute’ infrastructure available in the public cloud with Cycle Computing’s technology and years of experience with the world’s largest supercomputers, we open up many new possibilities,” said Microsoft Azure corporate VP Jason Zander in a company blog post. “Most importantly, Cycle Com-

puting will help customers accelerate their movement to the cloud, and make it easy to take advantage of the most performant and compliant infrastructure available in the public cloud today.”

### **SAMSUNG OPENS UP BROWSER TO OTHER ANDROID DEVICES**

Samsung is taking on Google’s mobile browser dominance. BI Intelligence reported that Samsung had opened up access to its mobile internet browser to all users on Lollipop (Android 5.1) and later, meaning the browser is now available to 75% of Android devices globally. Prior to this week Samsung’s browser was only available to its own users. Samsung believes that allowing its browser to be used on devices will allow it to bring its own innovations to a wider audience faster than is possible on Chrome and Opera. It cited biosensors, payments and virtual reality as examples of this. Chrome currently has half the mobile browser market, while Samsung has just 7%.

### **PNG ALLOWS MERGER BETWEEN TELIKOM AND B-MOBILE**

Papua New Guinea’s Independent Consumer and Competition Commission has approved the proposed merger of Telikom PNG with mobile network operator bmobile-Vodafone, reports Telegeography. The merger is seen as ‘pro-competitive’, because the new entity is stronger in financial terms and more able to increase its investment. At the same time a merger proposal for Telikom and PNG DataCo was withdrawn. DataCo is a national wholesale transmission network.

### **QUALCOMM ADDS DEPTH SENSING**

Qualcomm will upgrade the Spectra Camera Module Program with three new depth-sensing cameras, according to Digital Trends. Available as part of Snapdragon 836 it will allow for improved image quality, augmented reality applications, face detection, recognition, and authentication on Android devices. The move will counter Apple’s own upgrades in this direction.

### **ON THIS DAY 10 YEARS AGO IN 2007**

The federal government called for comment on a wide-ranging discussion paper that canvassed radical reforms to the Universal Service Obligation... 3 Mobile completed a six-week trial of Multimedia Broadcast Multicast Service with Ericsson... Australian Robyn Denholm was appointed global CFO at Juniper Networks.