

Telecom Industry News - January 2017

By: Jim Schakenbach

Before we take a look at what made telecom news in December and say good-bye to 2016, we'll start with what industry experts predicted this month for the year ahead:



A new [global telecom research study](#) released by **Research and Markets** reveals that international telecom companies will be developing new revenue streams for IoT and M2M in 2017, as well as mobile and broadband infrastructure improvements for better video streaming. Industry operators will be seeking to produce more income relating to the apps and services generated by these technologies. Developments relating to IoT and M2M will ultimately lead us to the smart cities of the future.

Juniper Research released a new study that predicts [cellular data traffic](#) will soar over the next two years as mobile and M2M devices generate 129,000 petabytes (PB) of data or the equivalent of 14 billion hours of 4K streaming.

Speaking of the Internet of Things, a [survey of IoT platform vendors](#) published by **MachNation** forecasts that 2017 IoT platform revenue will reach USD2.0 billion with IoT platform companies being acquired for an almost magical 20-times annual revenue because of strong demand. Some of the sectors of greatest interest to IoT platform vendors include smart homes, smart cities, industrial, manufacturing, healthcare, retail, automotive and transportation.

Unfortunately, not everything is rosy globally for the telecom industry. According to the new **Fitch Ratings' Report**, the 2017 rating and sector [outlook for Latin American telecommunications](#) has gone from flat to negative due primarily to mobile service maturity and strong competition. The 2017 rating and sector outlooks for Latin American telecommunications have shifted from stable to negative, with any material improvement unlikely in 2017 as negative trends prevail. Negative factors facing the industry include mobile service maturity and a high level of competition, which will limit most operators' deleveraging capacity. Fixed-line services still offer growth headroom, but only operators with recent proactive capex execution to secure network competitiveness will enjoy the most benefit, with underlying long-term growth potential remaining weak.

News from the North

The Canadian telecommunications market was very active in December, with major changes to overall infrastructure and a variety of consumer services.

The **Canadian Hearing Society** (CHS) this month joined the **Canadian Wireless Telecommunications Association** (CWTA), its wireless carrier members, public safety agencies across the country and the **Canadian Radio-television and Telecommunications Commission** (CRTC) to announce the nationwide availability of the [Text with 9-1-1 \(T9-1-1\) system](#) for people who are deaf, hard of hearing and speech-impaired.

Additional efforts to enhance and expand services in Canada included an announcement by Vancouver-based **TNW Networks Corp** that it will launch iPCS, its proprietary [data-only Smartphone-over-IP \(SoIP\)](#) mobile service in Canada, through its wholly-owned subsidiary **RuralCom Communications** which was acquired by TNW Networks Corp's parent company, **Investel Capital Corporation** on December 7, 2016. RuralCom will operate as **TNW**

Wireless. iPCS is a patent-pending, login-based mobile connectivity access technology that differs from traditional access which uses subscriber-specific International Mobile Subscriber Identity (IMSI) information contained in a SIM card. The technology will provide Canadian customers with a high quality, low cost alternative to existing mobile services along with many new user features.

The **Canadian government** announced a new program, [Connect to Innovate](#), that will invest up to \$500 million by 2021 to bring broadband Internet access to 300 rural and remote communities across Canada. For Canadians in rural and northern regions in particular, access to high-speed Internet can unlock tremendous economic potential, leading to the creation of new jobs, products and businesses that will benefit Canadian middle-class families.

Bell Canada and **AT&T** announced this month that Canada's largest communications company is testing AT&T's Open Source ECOMP platform for [creating and managing a software-defined network](#). AT&T stated it is planning to release the platform as open source software in conjunction with the Linux Foundation in the first quarter of 2017.

Bell Canada is one step closer to acquiring **Manitoba Telecom Services** as MTS received [approval](#) this month from the Canadian Radio-television and Telecommunications Commission (CRTC) to transfer its Broadcasting Distribution Undertaking (BDU) licenses to Bell Canada.

In other **CRTC** news, the commission this month declared that all Canadians should have access to an [unlimited data plan option](#) and speeds of at least 150 Mbps download and 10 Mbps upload. The CRTC stated that broadband access Internet service is now considered a basic telecommunications service for all Canadians and is creating a new fund that will invest up to \$750 million over and above existing government programs.

Takes on Technology

Advanced wireless initiatives continue to dominate the news, including ongoing 5G developments and improved global connectivity.

IEEE, the world's largest technical professional organization advancing technology for humanity, announced the [launch of the IEEE 5G Initiative](#) with the purpose of engaging professionals worldwide from industry, government, and academia to work on solving the challenges associated with 5G and lay the foundation to realize its potential. The IEEE 5G Initiative, which includes contributions from many IEEE societies, has several working groups for which it seeks volunteers from both industry and academia.

For their part in assisting with the rapid development of 5G, **Qualcomm Technologies, Inc.**, **Ericsson**, and **SK Telecom** announced plans to conduct [interoperability testing](#) and over-the-air field trials based on 5G New Radio (NR) standards being developed based on specifications in 3GPP. The trials intend to drive the mobile ecosystem toward rapid validation and commercialization of 5G NR technologies at scale, enabling timely commercial network launches based on 3GPP Rel-15 standard compliant 5G NR infrastructure and devices.

The **Broadband Forum** announced that first steps have been taken to form a [new industry connectivity and virtualization committee](#) of global service providers which will resolve how connectivity and virtualization are bought and sold by service providers worldwide. Founded by the Forum's **Service Provider Action Council** (SPAC) – an international autonomous committee of service providers – the new steering group has been created with the initial purpose of creating the committee rules and developing an international open trading business framework to seamlessly deliver virtualized servers across the globe. This will accelerate the deployment of interoperating connectivity and cloud services, as well as reconcile the vertical market and system integrator interests to avoid the endless inefficiency of n-by-n integrations.

Sprint and **TDD-LTE Networks** unveiled High Performance User Equipment (HPUE) designed to optimize Sprint's 2.5 GHz network coverage. HPUE helps provide [better coverage and faster data speeds](#) in more locations as next-generation technology continues to evolve. Sprint demonstrated the advanced new technology which is capable of extending its 2.5 GHz coverage by up to 30

percent to nearly match its mid-band 1.9 GHz spectrum performance, including indoors where an estimated 60 to 70 percent of wireless traffic is generated.

Collinear Networks and **Lockheed Martin** announced plans to commercialize a worldwide high-capacity [wireless transmission technology](#) for telecom network operators. The 2.5-year ongoing collaboration between the two companies is designed to advance Collinear's plan to commercialize a worldwide high-capacity wireless transmission technology for telecommunications network operators.

Hughes Network Systems, LLC is set to usher in the [next generation of satellite Internet service](#) with the successful launch on December 18 of EchoStar XIX, the world's highest capacity broadband satellite. Designed with Hughes JUPITER™ System technology, EchoStar XIX is a multi-spot beam, Ka-band satellite which in its final orbit will power HughesNet® Gen5, the next generation of high-speed satellite Internet service, delivering more speed, data, and advanced features for consumers and small businesses with limited Internet access options.

FCC Activities

The **Federal Communications Commission** was busy during the last month of 2016, starting with the release of its sixth [Measuring Broadband America report](#) on the nationwide test of fixed broadband services that examines actual versus advertised speeds. The report furthers the Commission's efforts to provide greater transparency about network performance to help consumers make more informed choices about their Internet Service Provider.

The FCC also amended its rules to allow phone companies to replace support for the outdated text telephone communications technology known as TTY with [support for real-time text](#) to provide reliable telephone communications for Americans who are deaf, hard of hearing, deaf-blind, or who have a speech disability. As the nation's communications networks migrate to IP-based environments, real-time text technology will allow Americans with disabilities to use the same wireless communications devices as their friends, relatives and colleagues, and more seamlessly integrate into tomorrow's communications networks. Under FCC rules, phone companies and manufacturers are required to support accessible text communications services, which for years have taken the form of TTY services. Under the new rules, carriers and manufacturers will be allowed to use the more advanced and interoperable real-time text technology to meet this obligation.

The Commission was also busy handing out punishment to wrongdoers, including announcing plans to [fine international long distance reseller NECC Telecom](#) almost four hundred thousand dollars for overcharging universal service fees. The Commission proposed a \$392,930 fine against the company for apparently charging excessive and unlawful universal service fees to its customers. Phone companies are required to pay into a fund to support various universal service programs and may assess fees on customers to offset that cost. Carriers are prohibited from charging customers more in fees than they pay into the Universal Service Fund (USF).

The FCC also announced that **Total Call Mobile** will pay \$30 million to [resolve fraud investigations](#) by the FCC's Enforcement Bureau and the United States Attorney's Office for the Southern District of New York into allegations that the company enrolled tens of thousands of duplicate and ineligible consumers into the Lifeline program. As a condition of the settlement, Total Call admits to engaging in "fraudulent practices" and will permanently lose its authorizations to participate in the Lifeline program anywhere in the country.

And finally, the FCC reached a settlement with **Birch Communications** that resolves an Enforcement Bureau investigation into whether the company engaged in [deceptive and abusive marketing practices](#). Specifically, the investigation looked into whether Birch "slammed" consumers by switching their preferred phone carriers without authorization, "crammed" unauthorized charges on its customers' bills and engaged in deceptive marketing. Under the terms of the settlement, Birch will pay a \$4.2 million penalty, refund at least \$1.9 million to consumers who filed complaints about unauthorized carrier changes or unauthorized charges within the past two years and adopt a compliance plan.