Latin America
TELECOM

Broadband Revenue in Latin America
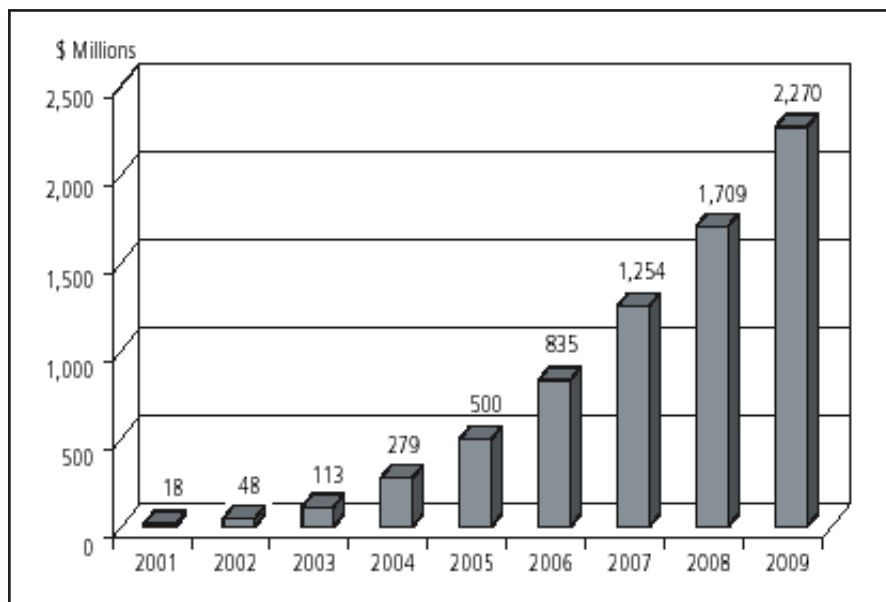
Source: TIA's 2006 Telecommunications Market Review and Forecast

ACROSS THE REGION

Redknee to expand partnership with Digicel Pacific

Redknee plans to expand its partnership with Digicel Pacific in the South Pacific, and with a sister firm to Digicel Group in Central America and the Caribbean. Digicel Samoa will use Redknee solutions to offer wireless services in Samoa. Digicel uses the Redknee Turnkey Converged Billing Solutions, IP Charging Solution, Enhanced Messaging Gateway, and USSD Gateway to offer prepaid and postpaid services to mobile

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users in over 20 markets in Central America and the Caribbean. Lucas Skoszkowski, CEO of Redknee, said that the Pacific Region presented good opportunities to Digicel and the company would look forward to replicating the success achieved buy its sister company in the Caribbean.

Openet wins Latin American deal

Openet Telecom, a provider of convergent mediation, real-time charging, and network-edge rating, announced that a leading wireless operator in Central and South America has chosen Openet's Revenue Assurance solution to address revenue leakage issues at the network edge. Based on Openet's FusionWorks Mediation product, the revenue assurance solution will enable the operator to detect and eliminate revenue leakage in real time, bringing an immediate increase to top-line revenue and profitability.

The scope of this project with Openet includes mediation and correlation for all of the operator's voice traffic with a goal of enhancing the revenue assurance reporting and controls for not only voice traffic, but all other types of usage as well. Some of the additional usage types that will be processed with the Openet FusionWorks solution include push-to-talk traffic, SMS, MMS, and packet data.

"This latest customer win for Openet illustrates the flexibility of Openet's products to provide network-edge business solutions that increase revenue and profitability," said Apollo Guy, Openet vice president of sales and alliances for the Americas, "Openet's Revenue Assurance solution delivers considerable more revenue to the billing system than the operator's legacy system."

Tyco Telecommunications chosen to construct 1400km undersea fiber-optic system in the Gulf of Mexico

Tyco Telecommunications, a business unit of Tyco Electronics, announced that it has signed a contract with Houston-based BP America Inc. to supply an undersea fiber-optic system serving offshore platforms in the Gulf of Mexico. The system will comprise the undersea backbone of a regional communications network, providing diverse connectivity from BP's Gulf of Mexico offshore production facilities back to the regional operating center in Houston, Texas.

The system will initially link seven deep-water production platforms with landings in Freeport, Texas, and Pascagoula, Mississippi. The network incorporates an upgrade capability designed to support 64 platforms.

The project has put emphasis on robustness and reliability as an outgrowth of the devastating 2005 hurricane season, which was particularly challenging for traditional communications systems. To achieve this, Tyco Telecommunications will deploy long-haul undersea telecommunications technologies adapted for the unique requirements of offshore applications. Each platform will be served by a branch off of a deep-water trunk. Using optical multiplexing in undersea branching units, each platform will have direct optical connectivity to both landing stations, ensuring continued operations independent of any other platform in the system during hurricane events.

"Communications systems to high value production platforms, now further offshore in deep water, require the innovative application of undersea fiber-optic technologies, especially in an environment that is susceptible to hurricanes," said Rob Munier, managing director for global solutions at Tyco Telecommunications. "The system we are building will set a new standard for offshore communications systems."

Tyco Telecommunications will manufacture the key elements of the fiber-optic system at its plants in Newington, New Hampshire, and Lowell, Massachusetts. The Tyco Decisive, a versatile, 140-meter cable-laying vessel based at Tyco Telecommunications' depot in Baltimore,

Maryland, will deploy the undersea plant and make the connections to the offshore platforms. The vessel has an American Bureau of Shipping dynamic positioning system 2 classification (DPS-2), enabling a variety of complex offshore operations anywhere in the world.

Tyco Telecommunications expects to deliver the system to BP in mid-2007.

Cisco Capital expands fund

As part of Cisco's continued investment in emerging countries, Cisco Capital has expanded its financing capabilities through agreements, announced with Citibank, GE Capital Solutions, and Standard Chartered Bank. The three Cisco Capital financing partners have agreed to provide $2 billion of short-term inventory financing capacity on an annual basis to Cisco channel partners in the Middle East, Africa, Latin America, Russia and the Commonwealth of Independent States, and Central and Eastern Europe. This additional financing is enabled in part by the $500 million short-term growth capital fund Cisco announced last year. Cisco Capital also announced expanded coverage of its end-user leasing programs in emerging markets.

To address the needs of customers in emerging markets, especially small to medium-sized businesses (SMBs), Cisco has created an infrastructure to accelerate the adoption of Cisco technology in emerging markets. In the past 12 months, Cisco has added seven specialty distributors focused on expanding regional coverage in emerging markets and has increased its base of certified channel partners in the theatre by approximately 20 percent. In many of the emerging-market regions, working capital is not readily available, and channel partners face long order-to-cash cycles due to a variety of factors, including isolated geography and government regulations. To help grow Cisco's business in these regions, Cisco Capital has established strong relationships with its emerging-market financing partners to help

enable greater access to working capital, the lack of which has been a key constraint in achieving growth potential in these markets. Cisco Capital works closely with its financing partners to implement the channel financing and to support the channel partners throughout the entire order-to-cash cycle.

"The financing announced provides the liquidity and working capital necessary to help our emerging market channel partners grow significantly, which is key to Cisco's Emerging Markets strategy," said David Rogan, president of Cisco Systems Capital Corporation. "Our financing partners provide both local presence and cross-border capabilities as well as an in-depth understanding of our Emerging Markets theatre. With nearly $10 billion in third-party inventory-financing capability today, Cisco Capital has created and implemented a global banking infrastructure, providing significant competitive advantage for Cisco with limited financial risk to the company."

ModeLabs Group taps into US market with new subsidiary

ModeLabs Group, creator of the "Mobile on Demand" concept, has launched a US subsidiary, ModeLabs Inc., to provide customized handsets to the Americas. A new-generation player and pioneer among CDMs ("Customized Design Manufacturers"), ModeLabs Group designs, develops, and markets unique, branded handsets together with relevant accessories and content — all customized to the needs of key consumer segments. ModeLabs' products feature leading consumer brands such as MTV, Virgin Mobile, Levi's, and Elite Models. The company also provides distinctive private label phones for retailers, such as Auchan. ModeLabs Group's products are marketed to mobile phone operators, MVNOs, and retailers.

While both business models seek to target specific demographics, the "Mobile on Demand" model is a different approach from

mobile virtual network operators (MVNOs) in that it does not sell airtime with the phones. ModeLabs' handsets allow both traditional carriers and MVNOs to attract and retain subscribers and increase average revenue per user (ARPU) while maintaining and building brand equity.

"The mobile handset market is undergoing profound changes, increasingly segmented by lifestyle, rather than purely by technology. ModeLabs Group is positioned to tap into this new segmentation," said ModeLabs Inc. CEO Jeff Galant. "The new US subsidiary will allow us to focus on adapting the successful ModeLabs Group model to the large and dynamic markets of the Americas. With this new division, ModeLabs Group will also be better positioned to build alliances with global brands based here and abroad. We anticipate future announcements of brand acquisitions and product launches during 2007."

Aside from the United States, ModeLabs Inc. will also serve Latin America and Canada. "Both Latin America and Canada are integral to our geographical scope, and we see significant opportunities across the region," added Galant.

CEO Jeff Galant was formerly the COO of GoNeo LLC, a designer and manufacturer of Body Glove electronics accessories. He couples extensive experience in sales in the global wireless industry with the marketing insight necessary to pair lifestyle with technology.

ModeLabs Inc. CFO Sebastian Grande was formerly the CFO of GoNeo LLC. At GoNeo, Mr. Grande was responsible for planning the financial and business strategies that launched a startup and grew into the leading lifestyle accessory company in consumer electronics.

América Móvil to restructure ownership

Shareholders of Mexico's América Móvil have approved a merger with one of its majority shareholders, América Telecom (Amtel), according a company statement. Amtel is a holding company set up solely to manage a 40.74 percent equity stake in América Móvil, one of Latin America's largest mobile groups by subscribers. Under the agreement, América Móvil will trade 4.07 of its shares for each Amtel share. The transaction is expected to be completed by February 2007. The restructuring will increase América Móvil's directly held debt, but will not have a significant impact on the company's business, according to Standard & Poor's corporate ratings director, Manuel Guereña.

BAHAMAS

Pegasus Wireless Corporation expands manufacturing capabiqüties with facility in Grand Bahama

Pegasus Wireless Corporation, a provider of advanced wireless solutions, announced that it has finalized plans to expand its manufacturing capabilities by opening an assembly plant in Freeport, Grand Bahama. The company is fully staffing the 190,000-square-foot facility in order to meet the growing demand for its innovative products from around the world.

Jasper Knabb, chief executive officer of Pegasus Wireless Corporation, commented on the expansion by saying, "We at Pegasus have enjoyed a large amount of growth over the past year, and have introduced many products that are in high demand from individual consumers as well as businesses worldwide. We realized the need to expand our manufacturing operations, and put a great deal of time and consideration into the location of our next venture. Grand Bahama posed a wonderful geographic vantage point for us as expands our capabilities into the Western Hemisphere, and we are looking forward to working closely with the Bahamian government to ensure that this is a beneficial endeavor for all parties involved."

The company plans to open the facility for light assembly in February of 2007. By the second quarter of 2007, the plant will be fully operational with SMT lines in place.

BERMUDA

BTC increases DSL Internet access speeds

The Bermuda Telephone Company (BTC) has doubled access speeds for DSL Internet access to 3Mbps downstream. It claims to have the fastest Internet access speeds in the whole island. Existing subscribers would be upgraded to either a 2Mbps or a 3Mbps service, free of cost, depending upon their present package, said company sources. These upgrades will be executed by the end of December.

BRAZIL

Transit Telecom signs deal with ZTE

Brazil-based fixed-line operator Transit Telecom has signed an agreement with Chinese telecom equipment provider ZTE for supplying a personal handyphone system (PHS) network that could potentially attract 500,000 new users over the next three years. This combination will deploy the PHS network that is due for launch in 2007. The network is based on a wireless local loop (WLL) that utilizes a cordless phone to provide mobility to the users at rates comparable to those of fixed-line services. The firm plans to increase its revenues by 90 percent in 2006 via better performances by traditional and VoIP services.

Comodo by Brasil Telecom selected for providing Web hosting automation

Comodo Web hosting and server automation division PSOFT announced that Brasil Telecom has selected Comodo's H-sphere solution for delivering Web hosting automation regarding its iG Emparas, a new series of Internet services for small and medium-sized businesses. The H-Sphere solution was selected because PSOFT can be integrated to iG's infrastructure. Brasil Telecom provides telecommunications apart from Web hosting services to Brazilian users, including local and international long-distance fixed-line services, mobile telecommunications, and data transmission. iG is the biggest Internet service provider in Latin America. iG provides a central control system for developing Web sites. H-Sphere provides unique billing and supports multiple language and currency formats.

Glu leverages momentum in Latin America with the opening of regional headquarters in Sao Paulo, Brazil

Glu Mobile, a creator and global publisher of mobile entertainment, announced the opening of Latin American headquarters in Sao Paulo, Brazil. The company has been selling mobile games in Latin America since 2003, and in the past year has deepened its focus in the region. As a result, Glu's revenue in Latin America nearly doubled in Q3 2006 over the same quarter in 2005 through the addition of key carrier partners and the launch of popular titles including Atari Classics, MONOPOLY, and Ice Age II: Arctic Slide.

"We feel strongly that our success as a global publisher depends on establishing a local presence to truly understand the needs of the region," said Greg Ballard, president and CEO, Glu Mobile.

"We have seen great enthusiasm and reception for our games in Latin America, and as one of the first publishers to have success in the region we believe that opening regional headquarters will allow us to expand our leadership position in this very important market."

The Latin American office will be headed by Bill Woods, who joined Glu earlier this year from THQ Wireless, where he was head of publishing for the Americas. While at THQ Wireless, Woods grew the North and South American business 600 percent in 2004 and 2005. Woods has spent the past ten years in Latin America in sales and finance positions with Lucent Technologies; Conectium, an SMS and mobile content aggregator in Latin America; and

ClearSky Mobile Media, a mobile data WAP and SMS ASP. The opening of Glu's Sao Paulo office reinforces the company's philosophy of establishing local offices to serve individual markets' needs. Earlier this year, Glu opened an office in Hong Kong to support the Asia Pacific region, and more recently, the company expanded its European presence through the acquisition of leading UK mobile publisher iFone. For more information visit http://www.glu.com.

Mobile phone association says consolidation 'inevitable'

Ércio Zilli, the president of Brazil's national association of mobile-phone companies, Acel, has told local newspaper Valor Econômico that consolidation of the country's wireless market is "inevitable." According to reports, Zilli told the paper that there is not enough room for four or five companies to survive, adding that recent overtures by América Móvil-backed Claro regarding the acquisition of No. 2 operator TIM Brasil are proof positive that the sector is heading towards a shakedown. Elsewhere, speculation exists over whether Portugal Telecom will withdraw from its joint venture with Telefónica in Brazil's largest mobile phone company, Vivo.

Zilli notes that the Brazilian mobile-phone market is one of the least profitable in the world, largely the result of slow economic growth and tough competition, adding that the government's target of 5 percent GDP growth in 2007 is likely to make matters worse. "Margins may get worse next year… It is difficult to improve margins when there is low economic growth and intense competition," Zilli said.

Brazil approves 1.9GHz, 2.1GHz bands for 3G

Brazil's telecom regulator, Anatel, has approved the rules to use the 1.9GHz and 2.1GHz bands for 3G mobile services, local newspapers reported.

The agency also announced the rules for licenses in the 800MHz, 900MHz, and 1,800MHz bands on which 2G mobile services can operate. Anatel held a public consultation in July and August with customers, operators and manufacturers. "The main mobile phone companies in Brazil such as Vivo, Claro and TIM will apply for 3G licenses as it is the next natural step," said analyst Jean-Pierre Cote Gil of US rating agency Standard & Poor's.

Despite not being certain of the benefits or how fast 3G can grow in Brazil, operators are likely to invest in the technology because there is a niche market to serve, Cote Gil said.

However, with a market in which 80 percent of users are prepaid, the operators will face a tremendous challenge to make sufficient revenues from postpaid clients, which tend to be the users that can most afford 3G value-added services such as high-speed broadband and data downloads, according to the analyst.

"At the moment even the best mobile operators only have at most 10 percent of their total revenues from value added data services," he noted. An Anatel spokesperson said that the regulator has still not settled on a date for launching an auction but that it may "study the issue next year."

However, the deployment of 3G services is likely to be slower than with 2G, as operators are still waiting to get a return on their investments in GSM, while remaining cautious about the potential size of the market for 3G, according to Cote Gil. "If the auction takes place at the end of 2007, the rollout is likely in 2008 and the pickup of services by clients will not be until 2009," Cote Gil predicts.

COLOMBIA

Interlink Global Corp. continues expansion in Colombia through additional services offered by its subsidiary, Metro IP

Interlink Global Corp. announced that it has expanded its capabilities in Colombia, with

its added capacity to offer the full range of Interlink's services to the existing client base of recently acquired Metro IP, and to greatly expand its operations and offerings to the major cities in Colombia.

Interlink Global, having completed its purchase of Metro IP, with its established customer base, will now offer Wi-Fi solutions with state-of-the-art high-quality service to the existing clients of Metro IP, which is expanding rapidly throughout the country.

According to Severino Rivano, vice president of Interlink Global Corp., "This expansion in services was inevitable in Colombia.

We are happy to keep adding to our growing list of clients in the business and private sectors of the country, as our ability to provide superior service and support continues to grow exponentially. Interlink Global Corp. has an established record of success as an enterprise level service provider, and we will insure that the existing and new client base is provided with the best service." Mr. Rivano further stated, "It is projected that gross yearly revenues should reach approximately $600,000 in 2007, and we project yearly gross revenues of approximately $4,000,000 by the end of 2008, as the Company continues its expansion across Colombia."

Mr. Anastasios Kyriakides, chairman of Interlink, added, "Interlink Global will provide the infrastructure from its point of presence located in Miami, Florida, to host all services required by our expansion plans. This, of course, includes: technical and engineering know-how and support, as well as testing and the supplying of hardware and software for the VoIP infrastructure. There are plans in place to add Wi-Max in the future to coastal areas of Colombia, and link those areas to the Venezuelan border through our subsidiary, NGT in Caracas. This would offer an alternative to expensive cell phone connections, and offer IP services at a fraction of the cost to consumers compared to what they are currently paying."

ECUADOR

ViaSat receives US$6 million award from Unete/Pacific Group to supply VSAT DVB-S2 broadband network for Telecentros Ecuador

ViaSat Inc. will supply its LinkStar DVB-S2 satellite networking system to Unete Telecomunicaciones S.A. (Bolivia) to expand its enterprise broadband services in Ecuador and the surrounding region, and specifically, for its recently awarded Telecentros Comunitarios Ecuador contract, issued by the national entities CONAM and CONATEL.

The contract, valued at approximately US$6 million, includes installation and integration of a satellite network hub in Guayaquil, Ecuador, and 1,200 LinkStarS2 terminals. Deliveries of the hub, networking equipment, and first shipment of broadband VSAT terminals are scheduled for this month, with deliveries continuing into the second half of calendar 2007.

"Communication brings people closer together and increases opportunities and socio-economic development. Unete is committed to growing and extending its services to reach more and more people, in Bolivia, Ecuador, and other markets in the region. With this LinkStarS2 networking system, we believe we have the most technologically sophisticated satellite network in the region, offering voice, data, VPNs, and high-speed Internet services, using the bandwidth efficiencies that DVB-S2 offers," said Juan Ayoroa, Unete/Pacific Telecom Group president.

"With Unete extending its broadband satellite services into Ecuador for the important Telecentros project, we are seeing yet another expansion of our broadband LinkStar DVB-S2 based platforms into new regions of Latin America," said Robert Feierbach, managing director Latin America and EMEA. "Unete's commitment to expanding communications in South America makes us very happy to welcome

them as a new DVB-S2 satellite network provider."

"LinkStarS2 VSATs incorporate the latest DVB-S2 waveform to offer bandwidth efficiency gains of up to 30 percent, substantially reducing network operating costs. ViaSat customers also get the benefit of one VSAT system that can support multiple network services," said Hugo Frega, ViaSat regional director for Latin America. "We wish our partner Unete/Pacific Telecom much success in this important project for Ecuador."

With more than 140 hubs and 80,000 terminals installed worldwide, the success of the LinkStar VSAT system can be traced to its versatility. The system is cost-effective for a full spectrum of applications, from low-speed, quick-turnaround retail transactions such as point-of-sale and lottery networks, to broadband multimedia applications such as Internet access, high-speed military or homeland security applications, enterprise networking, and distance learning.

Operators get better service and more efficient use of satellite transponders from dynamic bandwidth allocation, which increases or decreases data rates on the fly. Service providers can also access dedicated network management tools and hub resources from a shared hub though the system's Virtual Network Operator (VNO) functions.

Pacifictel to offer fixed wireless service in Ecuador

Ecuadorian telco Pacifictel will start offering fixed wireless service this month, says a report from BNAmericas, citing local newspaper El Mercurio. Pacifictel would provide prepaid and postpaid services to residential and business customers throughout the nation.

The target of the company is to have 15,000 lines by the end of this year. Pacifictel's fixed-line network extends to the southern and western provinces of Azuay, Canar, Galapagos, Los Rios, El Oro, Guayas, Loja, Manabi, Zamora

Chinchipe, and Monora Santiago. By the end of 2005, it had 694,000 fixed-line users, compared to 647,000 a year ago.

TVCable selects Airspan for WiMAX network expansion

Ecuador's largest cable operator, TVCable Group, has chosen Airspan Networks Inc. for its WiMAX network expansion in the 3.5GHz band. Plans for future network expansions are being made to cover the country with WiMAX services.

TVCable offers voice, data, and video to consumer and enterprise markets in the country. It chose Airspan after conducting field trials on the 3.5GHz frequency, which it owns, with Airspan's MacroMAX WiMAX platform using Airspan's ProST and EasyST CPEs. The trials proved that MacroMAX successfully met TVCable's need for Quality of Service (QoS) management, VoIP-over-WiMAX, remote diagnosis, and monitoring dispersed base stations.

GUATEMALA

Caribbean Digicel to launch operations in Guatemala

Digicel will be launching its services in Guatemala in 2007. Currently, Digicel has services in 22 markets.

The company managed a license around two months ago, when it acquired Digicel Holdings Ltd. Digicel Holdings Ltd. operates in El Salvador and has a GSM license in Guatemala. Digicel is planning to expand its operations in Panama and Costa Rica in the future, as reported by BNamericas,

GUYANA

Digicel acquires Guyana-based U Mobile

Digicel Group, the fastest-growing mobile telecom operator in the Caribbean, announced that it acquired the Guyanese mobile operator

U Mobile via the direct acquisition of its parent holding firm. Digicel Holdings Limited (DHL), Digicel Group now has operations in 22 markets.

This acquisition enables Digicel to increase its presence into South America after the launch in French Guyana earlier this year. Guyana has a population of around 800,000 residents.

The president of Guyana, Mr. Bharrat Jagdeo, welcomed the move of Digicel coming to Guyana and expressed his hope that the company's presence would bring competition to Guyana. His sentiments were echoed by Guyana's prime minister, Mr. Samuel Hinds. Digicel has invested over $1.2 billion in the Caribbean over the last five years and has around 2,500 employees.

HONDURAS

Hondutel signs deal with ENP to install a 7km fiber-optic network

Hondutel, Houndras' national PTO, has signed a deal with the nation's national port authority (ENP) to install a 7km fiber-optic network at Cortes port, according to BNamericas, citing local newspaper El Tiempo. Hondutel will be responsible for installing, maintaining, and providing Internet and telephony services on the infrastructure.

MEXICO

Cablemás increases net profits by 28.2 percent year over year to $4.6 million in Q3 2006

The second-largest Mexican CATV operator, Cablemás, increased its net profits over the year by 28.2 percent to $4.6 million in Q3 2006. The revenues recorded in the period were $53.11 million, while the adjusted EBITDA increased by 23.8 percent to $20.31 million.

The number of broadband connections increased over the year by 59.7 percent, from 100,023 to 159,732. However, several new customers signed up for low-speed Internet connections, thereby pulling down the broadband ARPU over the year by 10.9 percent to $17.93 in Q3 2006.

The deal signed with Axtel in May 2005 yielded 20,616 VoIP subscribers for Cablemás by the end of Q3 2006.

Iusacell and Movistar discuss swapping spectrum

Mexico-based mobile operators Iusacell and Telefonica Moviles are contemplating the swap of unused mobile frequencies. This swap could allow both operators to extend their services to untouched areas.

The Comision Federal de Competencia (CFC), the competition watchdog, has stated that spectrum swaps should be made easier to promote competition. Presently, the law prevents holders from selling the spectrum within three years of receipt.

US and Mexico have entered into a spectrum-sharing deal

Senior telecom officials of the US and Mexico have signed a spectrum-sharing deal to meet the requirements of interoperable communications on the US/Mexico border.

This deal will support the state and local public safety organizations in the area and commercial firms deploying advanced wireless services on the border. US public safety licensees will be provided access to the 12MHz primary spectrum.

The deal also guarantees commercial network operation services to new wireless broadband carriers. The US Coordinator for International Communications and Information Policy in the Bureau of Economic and Business Affairs, Ambassador David A. Gross, and senior Mexican telecom officials signed the agreement.

The Federal Communication Commission (FCC), the Ministry of Communications and Transportation, and Mexico's Federal Telecommunications

Commission in Mexico will implement it. It will be effective from November 8, 2006.

Telmex plans to invest $100 million to enter fixed-line residential market in 2007

Mexican telecom firm Telmex's Peruvian unit intends to invest $100 million in its network in 2007. This would help to consolidate its position in the fixed-line market. According to BNAmericas reports (citing local business daily Gestion), Telmex will look to expand the coverage in the capital city and nearby provinces to compete with fixed-line firm Telefonica del Peru (TdP).

Telmex entered Peru February 24, 2004, when it acquired almost all assets of AT&T Latin America (ATTLA), including the ones in Argentina, Chile, Brazil, and Colombia. Telmex operates primarily in the SME and corporate sectors. ATTLA entered Peru in 2000 by acquiring FirstCom Peru.

Telcel, Nextel agree on interconnecting SMS services

Nextel de Mexico, a digital trunking operator, has signed a deal with Radiomovil Dispa (Telcel) to interconnect SMS services, according to America Movil, Telcel's parent firm.

The two operators are presently involved in interconnection testing. Nextel was the first operator to provide push-to-talk services in Mexico. It had unveiled wireless PTT on an iDEN network in August 1998.

But rival operators have been complaining that Nextel has been operating without a valid concession. This resulted in the four cellcos offering PTT service without valid concessions, which subsequently led to censure by regulator Cofetel in 2005.

This instigated the operators to refuse interconnecting text messaging from Nextel users. Finally, Nextel appealed to competition overseer Comision Federal de Competencia (CFC), after which Cofetel ordered the four operators to implement SMS exchange by March 12, 2006.

GlobeTel Communications Corp. deploys HotZone 4010-based wireless broadband network in Mexico

GlobeTel Communications Corp. announced that it has successfully built and deployed a HotZone 4010-based wireless broadband network within a city northeast of Mexico City, Mexico, and has begun to service customers through the network.

"The Company began offering Internet services on the network in conjunction with an introductory promotion to residential users within the network's cloud," stated Peter Khoury, chief executive officer of GlobeTel Communications. "We experienced a favorable response rate and we are optimistic that these products and services will continue to be well-received through the extension of this network, and other HotZone-based networks in Mexico."

Khoury continued, "The low cost of customer acquisition allows us to provide service at a rate competitive with the existing Internet access services in the area, plus the addition of enhanced services such as higher download speeds. This is a WiMAX-based technology that provides high throughput, low latency and high quality service while supporting existing end-user CPE devices such as Wi-Fi cards and DECT phones. This WiMAX technology will allow a new breed of wireless applications to be utilized, such as video, MP3 and in-vehicle devices."

This first phase of network deployment includes 15 sites containing HotZone 4010s broadcasting both 5.8GHz point-to-multipoint connections and the redistribution of standard Wi-Fi at 2.4GHz providing broadband Internet access. This network rollout illustrates the cost-efficiency of the HotZone 4010 by broadcasting a standard 802.11b signal resulting in a Wi-Fi "cloud" allowing homes in the area access to broadband Internet service using an ordinary laptop or computer with a standard Wi-Fi card or adapter. The network has been operating with users since mid-October and has performed to

Tier 1 specifications, providing 99.9997 percent network availability calculated on a monthly basis.

Although the primary use of the company's first commercially available network in Mexico is for broadband Internet access, the HotZone 4010 also allows the offering of VoIP telephony through the DECT standard, permitting a typical DECT-enabled cordless phone to have a reach of up to 800 meters from a HotZone 4010 base station, and allows for the fulfillment of WiMAX needs.

ScanSource Mexico to distribute Mitel IP communications solutions

Mitel recently announced that it has established a distribution agreement with ScanSource, an international distributor of specialty technology products providing distribution sales to resellers in the specialty technology markets, to address its expanded presence and success in Mexico. Effective January 1, 2007, ScanSource Mexico will offer Mitel hardware, software, and accessories to Mitel's growing stable of channel partners in Mexico.

"We are pleased to add Mitel to ScanSource's industry-leading converged communications products offering," said Elias Botbol, president of ScanSource Latin America. "Mitel's unified communications solutions enhance the choice offered to resellers and their customers as they look to IP communications' productivity- and business efficiency-enhancing applications."

ScanSource Mexico will distribute Mitel's broad range of IP communications platforms that scale from as few as 10 to as many as 65,000 users in a single network configuration, Applications, and Services Gateways that provide connectivity to Microsoft's Live Communications Server, and intuitive desktop devices. ScanSource will offer resellers innovative Mitel applications for contact centers, mobility, teleworking, speech-enabled unified

communications, messaging, collaboration, presence, videoconferencing, and wireless communications, with specific market propositions for verticals including hospitality, healthcare, retail, government, education, and finance.

"Mitel's expanding presence and success in Latin America is being further reinforced with the capabilities of a strong partner such as ScanSource," said Mario Vazquez, Mitel's Mexico director. "ScanSource's established capabilities in our country provide us with greater coverage and access to new reseller partners to support our expansion."

STM to deploy over 2,300 Satlink VSATs in Mexico

STM announced an order by a large systems integrator in Mexico for over 2,300 VSATs to be used as part of the country's successful Enciclomedia Program (www.enciclomedia.edu.mx) to serve over 3,100 classrooms in Mexico. The ongoing program uses the latest technologies as part of an application suite to modernize classrooms in public schools throughout Mexico.

In addition to Satlink VSAT terminals, the system in each classroom includes an electronic white board with a computer-driven projector and custom education software, which enhances the student's learning experience. The project creates consistency of classroom teaching using customized software at each class level matched to the latest textbooks in use. The VSATs provide wide area network IP connectivity from the school to a datacenter dedicated to the project and sponsored by Mexico's ministry of education.

STM's group executive vice president, Umar Javed, said, "The addition of a standards-based DVB-RCS Satlink product line and technology to STM's portfolio has enabled us to penetrate the volume driven market for large scale VSAT deployments." The order announced will increase the number of Satlink

DVB-RCS VSATs deployed in Latin America to over 6,000 terminals, making STM the leading supplier of DVB-RCS products in North and South America.

One of the factors contributing to STM's product success has been the superior VoIP capability introduced as part of the recently announced Release-11 software. STM's VSAT products are in use by several leading phone companies in Latin America and are recognized for offering superior voice quality with minimal system latency. The latest version of the Enciclomedia application suite involves the use of a standard VoIP phone for voice connectivity between each school and the dedicated datacenter.

As part of the network deployment for the Enciclomedia project, STM will commission a carrier-class DVB-RCS Hub in Mexico City before year-end. Terminal deliveries are expected to be completed in January 2007. The project requires large-scale deployment by several concurrent installation teams. STM's Satlink terminal includes the most advanced outdoor transceiver of its type combining the functions of an LNB, BUC, and OMT in a single integrated package, which minimizes the installation time. The integrated Ku-Band ODU is available in 2-Watt and 3-Watt power levels, providing output power and aggregate return channel throughputs that are several times higher than that offered by comparable products, which combine an LNB and 1-Watt BUC in the outdoor installation with an external OMT.

IP Unity wins in Mexico

IP Unity, a provider of carrier-grade media servers, application servers, and real-time multimedia applications, announced that it has won another major contract, in the Mexican cable sector, with the No. 1 VoCable (voice-over-cable) operator, Cablemás. The IP Unity Mereon 3000 Media Server and Mereon Voice Messaging application will go live this month in Cuernavaca. The operator plans to expand service to include 13 additional cities in the coming months.

Formed in 1968, privately held Cablemás has been at the vanguard of cable television offerings to Mexican metro markets for over 35 years. The operator has more VoCable subscribers in Mexico than any other provider, including 22,000 in Tijuana via a partnership with a top telephone provider.

"We selected IP Unity because of the flexibility and scalability of its Mereon platform, and because of the solid interoperability the system has with our Cedar Point softswitch," stated Cablemás CTO Cecilia Pedraza. "We are currently rolling out Mereon Voice Messaging to our subscribers and are pleased to be able to extend message access via a web interface. We are also evaluating a future expansion to include Mereon Unified Messaging."

Cablevision sells TiVo

Cablevision, S.A. de C.V. (Cablevision), Mexico's largest digital cable operator, and TiVo Inc., the creator of television services for digital video recorders (DVRs), announced that they have entered into an agreement to distribute the TiVo DVRs and TiVo Service to Cablevision's subscribers throughout Mexico City.

Under the agreement, Cablevision will make TiVo's DVR service available to subscribers of Cablevision's digital cable service, including the first Spanish-language version of the Emmy award-winning TiVo user interface. The TiVo service for Cablevision customers is expected to include popular TiVo features like SeasonPass recordings and WishList searches.

Jean-Paul Broc, Cablevision's CEO, said, "Cablevision is thrilled to be the first to offer the TiVo Service in Mexico. We are in a unique position to market Mexico City's best television experience by delivering over 220 channels of digital cable programming — all seamlessly brought together through TiVo. As you know, demand from our consumers for the world's best

and most popular entertainment products continues to grow at a rapid pace. TiVo helps us deliver this vision while also helping us attract and retain customers."

"This relationship marks an important milestone for TiVo," said Tom Rogers, president and CEO of TiVo. "After redefining the way consumers watch television in the United States, we are excited to further grow TiVo's subscriber base through this strategic distribution relationship with a leading hispanic media company:

Cablevision, and its parent Televisa, are perfect partners for TiVo in Mexico. Cablevision has revolutionized Mexico City's pay television market through aggressive deployment and marketing of unique services like digital cable, broadband Internet service, HDTV, and video on demand (VOD). We think TiVo will be a natural addition to Cablevision's Digital Television portfolio — helping satisfy demand for the best entertainment experience while further differentiating Cablevision's pay television services."

Initially, the service offered by Cablevision will utilize TiVo's standalone DVR hardware platform. Cablevision expects to begin marketing bundles that include the TiVo DVRs and TiVo Service in the first half of 2007.

Mexico-based Televisa to invest $500 million on triple-play services

Mexico-based broadcaster Grupo Televisa intends to invest $250 million to $500 million to provide triple-play services over the next three years. Televisa is looking for partnerships with telephony and Internet service providers to build on recently passed laws that allow firms to provide voice, Internet, and TV services. Televisa owns Mexico-based cable TV provider Cablevision.

The group also plans to invest $280 million in Cablevisión's provision of telephony services, and is also contemplating acquiring cable TV and Internet provider Televisión

Internacional (TVI) for $70 million. On October 4, the Secretario de Comunicaciones y Transportes (SCT) revised Mexico's telecoms legislation to enable the launching of the nation's first triple-play services.

PARAGUAY

Núcleo launches Hippu broadband Internet service in Paraguay

Núcleo has launched a new Hippu broadband Internet service in Paraguay. According to the La Nación, it will initially cover Fernando de la Mora, Asunción, and Lambaré, and will expand to more major cities, as well. It expects 10,000 residential and corporate users by the end of 2007.

PUERTO RICO

Centennial announces launch of Aptus in Puerto Rico

Centennial Communications introduced Aptus, its broadband telephony service in Puerto Rico. The service has specially been made for business and commercial customers. In the Caribbean, the company will concentrate more in VoIP and will invest a 1,300 route-miles fiber connecting 1,800 buildings. The company's CDMA2000-based wireless networks will be upgraded with Evolution Data Optimized (EV-DO) technology. The company also plans to launch mobilePBX telephony service, developed along with BroadSoft and Atreus. Aptus will provide control over all voice communications through a single and integrated VoIP platform.

URUGUAY

Antel launches Adinet TV in Uruguay

According to BNamericas, Antel has launched a new service, Adinet TV, in Uruguay. The service allows subscribers having broadband connections of 350Kbps or more to surf the Internet and watch two television

channels. TeleGeography's GlobalComms database reported 70,000 ADSL customers in Uruguay by the end of June 2006. Antel's subsidiary AntelData is the only Uruguayan ADSL provider.

MARKET INTELLIGENCE

Gain insight into the Colombian data communications services markets

Research and Markets has announced the addition of "Colombian Data Communications Services Markets" to their offering

This Frost & Sullivan research service provides an overview of these markets, along with discussions on key drivers, restraints, challenges, market trends, and forecasts.

In this research service, Frost & Sullivan's expert analysts thoroughly examine the following technologies: IP (VPN, MPLS, and Dedicated Internet Access), Frame Relay, Dedicated Lines, ATM, X.25, Gigabit Ethernet, and Metro Ethernet

Expert Frost & Sullivan analysts thoroughly examine the following market sectors in this research:

By Applications:
- Retail Market
- Wholesales Market
- International Market
- Value Added Services

By Technologies:
- IP (VPN, MPLS, Dedicated Internet Access)
- Frame Relay
- Dedicated Lines
- ATM
- X.25
- Gigabit Ethernet and Metro Ethernet

The following technologies are covered in this research:

- X.25: This is a communications protocol for WAN networks that use the phone or ISDN system as the networking hardware. X.25 is a standard protocol for connecting computers and other data communications devices to packet-switched networks.

- Frame Relay: Frame relay is a packet switching protocol designed for cost-efficient data transmission for intermittent traffic between local area networks (LAN) and end-points in a wide area network (WAN). Frame relay puts data in a variable-sized unit called a frame and leaves any necessary error correction (retransmission of data) up to the end-points, which speeds up overall data transmission.

- Asynchronous Transfer Mode (ATM): This is a cell relay network protocol which encodes data traffic into small fixed-sized (53 byte; 48 bytes of data and 5 bytes of header information) cells instead of variable-sized packets as in packet-switched networks (such as Internet Protocol or Ethernet).

- Dedicated Lines: A dedicated line is a telecommunications path between two points that is available 24 hours a day for use by a designated user (individual or company). In the dedicated lines, the whole bandwidth is used for transmission, and no portion of the channel is set aside for control, framing, or signaling.

- IP: In IP there is no continuous connection between the end-points that are communicating. Each packet that travels through the Internet is treated as an independent unit of data.

- MultiProtocol Layer Switching (MPLS): A set of protocols for provisioning and managing core networks, using a technique known as label switching to forward data through the network through a small, fixed-format label inserted in front of each data packet on entry into the MPLS network. MPLS is called multiprotocol as it supports IP, ATM, and frame relay network protocols.

New technologies facilitate better service integration

Despite the highly competitive and fragmented nature of the Colombian data communications services markets, revenue figures

showed moderate growth between 2004 and 2005. This was reflected in operators rolling out new services to existing customers while also undertaking business and network infrastructure expansion in smaller cities using last-generation technology.

This apart, there has been growth in the carrier segment, where network infrastructure is being leased to telecommunication operators and the introduction of new technologies such as IP/MPLS, Metro Ethernet, and Gigabit Ethernet has allowed better service integration with a higher degree of efficiency and lower operational costs.

Colombia's gross domestic product (GDP) grew at 4.0 percent during 2004 and 2005, and this, along with a positive enhancement of the social and political outlook, has further facilitated better conditions for foreign investments and promoted a strong growth in the stock exchange markets. In terms of specific services, Frame Relay, with a market share of 49.0 percent, accounted for the largest revenues and had approximately 1,691 clients in 2005.

While IP services overtook dedicated lines to become the second-largest revenue generator in the same year, there was minimal difference in their respective market shares, which stood at 20.53 and 20.51 percent in favor of IP. A notable market trend worth highlighting is the introduction of new services such as Metro Ethernet and Gigabit Ethernet that are more efficient and flexible, notes the analyst of this research service.

These services are expected to grow considerably in the short and medium terms, and while Gigabit Ethernet is expected to gradually displace services such as ATM, Metro Ethernet is likely to be highly linked to IP in its access portion.

Carrier segment likely to see continued growth

The carrier segment in Colombia is characterized by the leasing of data networks infrastructure among competitors and mobile telecommunication operators, fixed operators, and cable TV and Internet service providers. By leasing networks to mobile operators to support the explosive growth in user demand and traffic, companies in this segment were among the prominent promoters of the data communications services market in 2005. In the short and medium terms, the carrier segment is expected to continue seeing one of the highest growth rates in the data business. This is due to the signing of the Free Trade Agreement with the United States, with the possible entry of new operators into the market, the deployment of last-generation networks resulting in more capillarity and coverage in intermediate-sized cities, and the growth of national and international data traffic. In the future, the data communications services market in Colombia is expected to feature smaller growth rates, as many services are expected to migrate to IP solutions, which are more flexible and cost-effective. Additionally, the trend of price erosion is expected to continue due to increasing competition, and is likely to have a direct impact in market revenues, says the analyst. IP is expected to become the leading technology due to its ability to enable operators to integrate more services on the same network, with higher economical benefits for the operators and the customers.

For more information, please visit http://www.researchandmarkets.com/reports/c46338.