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Feedback

Welcome

Welcome to the first Case Communications Newsletter of 2009. Due to the Christmas break (which now seems a long time ago) we gathered a lot of news, making this one of our larger newsletters.

The future of climate change is in Linux's hands
A scientific project that will help govern how the European Commission tackles climate change is relying on Linux and the Géant academic grid to complete its vital work.
[More]

PM's 100,000 job plan to mean broadband spending spree?
Prime Minister Gordon Brown looks to have given the go ahead to a recession-busting programme of investment that could see super-fast broadband rolled out across the UK.
[More]

3G growth to sustain handsets through recession
The latest in a series of depressing sets of figures for the handset market show the sector going into sharp decline in the fourth quarter of 2008, but the authors, ABI Research, see some light on the 2009 horizon, especially in W-CDMA
[More]

Police given new powers to hack PC's.

EU ministers have given police forces across the EU the power to access personal computers without a court warrant.

Monday 5th January 2009

[More]

Critics attack upcoming email law
A new European law that will force all Internet Service Providers (ISPs) to store details of every email sent in the UK is a waste of money, according to critics.

[More]

Tories make broadband promise

The leader of the Conservative party will pledge that his party will "do everything it can" to get fibre optic broadband into every home in the UK.
5th January 2009

[More]

Should ISP's go it alone or find partners to provide next generation Broadband Services

Broadband service providers need to get past their current mindset of doing everything themselves and consider the advantages of partnering with innovative service developers and offering broadband services on a wholesale basis, according to Yankee Group senior analyst Benoit Felten.

From article by Jan 12, 2009 By Carol Wilson

[More]

Self confessed hacker Gary Mc Kinnon will plead to charges in UK.

Self-confessed hacker Gary McKinnon has told UK prosecutors he will plead guilty to charges in the UK, a move that could help him avoid extradition to the US.
[More]

IP TV Slow to take up

According to a recent article ('BT Vision vows to tackle slow take-up', The Daily Telegraph, 6 January 2009), BT had around 350 000 BT Vision subscribers at December 2008, two years after its official launch.

Courtesy Analysys Mason January 2009

[More]

Nortel files for Bankruptcy protection.

Following on from our December Newsletter that Nortel was seeking legal advice prior to declaring themselves bankrupt, they have this week filed for bankruptcy protection, the day before they were due to make an interest payment of US$107m on outstanding loans.

15th January 2009

[More]

European Mobile Operators start 16Mbps download trials

Vodafone has carried out successful trials of HSPA+, the latest in the HSPA standards family, achieving peak download rates of 16Mbps.

[More]

NHS Trust threatened by Health Officials.

An NHS foundation trust has been threatened by health officials to choose NHS software for electronic health records, or be forced to pay for it even if it chose an independent alternative.

16th January 2009

[More]

LOCOG could drop supplier Nortel

The London 2012 organisers are allegedly ready to approach another telecoms company to replace the financially-troubled supplier Nortel.

16 January 2009

[More]

Every house to have fast broadband

In an upcoming report from the communications minister Lord Carter, every household will be promised the infrastructure for high-speed broadband access.

15th January 2009

[More]

Firmware issue with Seagate disk drives.

A firmware issue has been identified that affects a small number of Seagate Barracuda 7200.11 hard drive models which may result in data becoming inaccessible after a power-off/on operation. The affected products are Barracuda 7200.11, Barracuda ES.2 SATA, and DiamondMax 22.

[More]

Ericsson to slash 5,000 jobs after 31% profit drop

Of all the wireless infrastructure vendors, market leader Ericsson has seemed the most immune to the downturn so far, but it has proved itself vulnerable despite its scale, reporting a 31% year-on-year dive in net income in its fourth quarter, sparking plans for a further 5,000 job cuts.

[More]

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The future of climate change is in Linux's hands

The Millennium Simulations, an earth modelling venture at the Max Planck Institute for Meteorology, will allow scientists to model the changes in the world's climate over the last millennium as well as centuries into the future.

By factoring in human influences on carbon, including changes in land use, as well as natural phenomena including volcanic activity, the Millennium Simulations will provide an insight into how the earth's climate will change over the coming decades and centuries.

It's this information that will go towards informing the next assessment report of the Intergovernmental Panel on Climate Change, the body whose information is fed to the highest levels of government to help them make decisions on the environment.

The Millennium Simulations' Earth System Model contains sub-models for atmosphere, ocean, land-surface, and ocean-biogeochemistry and features an "interactive carbon cycle".

With scientists across Europe and beyond contributing information to the project and analysing the results, Millennium Simulations needs a lot of bandwidth - bandwidth enabled by Géant2, a grid linking national research and education networks across the continent.

So far, the simulations have racked up more than 50 terabytes of data, Reinhard Budich, project manager at Max Planck Institute for Meteorology, told silicon.com.

"One of the simulation runs we do of, say, 1,000 years produced something like 2.5 terabytes of data and these data have to be shared. We do not only one run, we do many runs because we have to adjust the models to the different forcings [forcing factors - elements that can affect the climate models] we have and then we do model runs with different forcings switched off and on."

Using Géant2, the Institute can make the simulations available to earth scientists, meteorologists, historians and other interested parties around the world.

According to Budich, the contribution of Géant2 - which is also used by scientists working on the **Large Hadron Collider** - cannot be overstated.

"We, as a project, depend on Géant... Such an infrastructure initiative like Géant is really indispensible for us."

The data from the Millennium Simulations is stored at the World Datacentre for Climate, housed in the German Climate Computing Centre in Hamburg - the largest Linux-based database in the world, Budich told silicon.com, holding 400 terabytes of data.

The link between the Max Planck Institute and the German Climate Computing Centre is a theoretical 655Mpbs.

"This is what we can afford so far - it's a matter of cost as well. How much of that [bandwidth] you really get from that for your little project is one of those things where I'd like to see improvements," Budich said.

"We as researchers have to share bandwidth between us - there are about 400 registered users at this computing centre so you can imagine the bandwidth we get for our transfer. It depends really on time of day, usage of others, etc. What I'd like to see in the long run is that I can reserve bandwidth for an application, I can say: 'Today between noon and 1.30 I want to transfer this much data to somewhere. Give me that bandwidth'. That's the quality of service I'd like to see."

It's an option Budich believes vendors are open to the idea and could adopt such a business model in the future.

Storage too has proved a bugbear for the climate researchers, with data retrieval usually a matter of minutes – but occasionally seeing scientists wait for hours for information.

"Many of those data have to reside on tape because we just can't afford enough disk space for that… Those data that are asked for more often the database keeps on disc basically but those asked for seldom are offloaded onto tape."

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PM's 100,000 job plan to mean broadband spending spree?

Speaking to *The Observer* newspaper on the 5th of January 2009, Brown revealed plans to create 100,000 new jobs by spending on public works, including investments in network infrastructure and backing for jobs in "digital industries".

"When we talk about the roads and the bridges and the railways that were built in previous times - and those were anti-recession measures taken to help people through difficult times - you could [by comparison] talk about the digital infrastructure and that form of communications revolution at a period when we want to stimulate the economy. It's a very important thing," he told the paper.

According to *The Observer*, Brown's investment in digital infrastructure will take the form of a high-speed broadband deployment, which has been interpreted by some as a move towards the roll out of fibre.

Any government fibre plans are likely to focus on fibre-to-the-cabinet (FTTC) rather than fibre-to-the-home (FTTH), due to the costs involved: a recent report by the Broadband Stakeholder Group priced FTTC at £5.1bn, compared to £28.8bn for full FTTH.

Telcos, meanwhile, are taking steps to fund their own fibre deployments. In July last year, BT announced a £1.5bn plan to bring fibre access to 10 million homes, while Virgin Media recently unveiled a 50Mbps service.

However, government advisors have taken a lukewarm attitude to fibre to date. An independent review compiled for the Department for Business, Enterprise & Regulatory Reform by Francesco Caio, the former head of Cable & Wireless, stopped short of a call for immediate, major government investment in a fibre rollout.

The review said: "It is difficult to conclude that the UK is currently disadvantaged by the lack of NGA [next generation access, such as fibre]. This review has certainly found no application essential to public welfare that is being delivered by NGA that cannot be delivered over conventional networks."

The Conservatives however have come out in favour of a UK fibre deployment. In a speech today, Tory leader David Cameron announced the party's strategy to tackle the economic downturn, including plans to give "the majority of the population" fibre within five years and "as near as possible universal coverage" within a decade.

"I am determined the next Conservative government will enable the next digital revolution. I am not talking about massive state financed investment - that would be extremely expensive for the taxpayer and it would also risk stifling the innovation that comes from private sector competition. Rather, the role of government is to facilitate, not deliver. It can do this by letting it be known that it will encourage and support the private investment required to develop the network," Cameron said.

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3G growth to sustain handsets through recession

The company believes that, when the figures for Q4 are fully calculated, a sharp decline in October and November will have caused a year-on-year drop in shipments of around 5%, notwithstanding the slight bounce effect of the holiday purchasing season in December.

The year ahead will be tough, but there will be considerable resilience in smartphones and across the W-CDMA and CDMA2000 categories, which are likely to represent half of all cellphone shipments by the end of 2009, compared to 39% now. Analyst Jake Saunders said:
"Much of the brunt of the economic downturn will be experienced in the 2G categories. W-CDMA handset shipments are projected to grow from 258m in 2008 to 725m in 2009. By 2013, more than 67% of all handsets shipped will be 3G or 3G+ capable."

The high end of this category, smartphones, accounted for 14% of the 2008 market, ABI estimates, and in 2009 should grow their share of a total sector that is likely to have been squeezed by 5-7%. By 2013, smartphones are expected to account for 31% of the market, though the definitions will have changed significantly by then (will an MID count as a smartphone, for instance?)

Cellular modems will also see strong growth in 2009, driven largely by USB dongles, which will account for 80% of volume. Overall shipments are expected to increase by more than 55% in the coming year as Asian vendors push down prices and operators come up with creative plans to lure new subscribers – such as daily plans or per-megabyte fees.

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Police given new powers to hack PCs

A hacking technique, known as remote searching, has been quietly adopted by police forces, according to The Independent. The recently developed technology enables officers to access personal computers from a distance.

Remote searching can be achieved by sending an email containing a virus to a suspect's computer which then transmits information about email contents and web-browsing habits to a distant surveillance team. Alternatively, "key-logging" devices can be inserted into a computer that relay details of each key hit by its owner. Detectives can also monitor the contents of a suspect's computer hard-drive via a wireless network.

Any attempt to hack a PC must be authorised by a chief constable first. They must be satisfied that the surveillance action is proportionate to the crime being investigated.

The technique was approved at a meeting of home affairs ministers in December. The Home Office and other EU ministries are still developing the details of the proposals, but critics have warned this could mean a huge expansion of the technique in the future.

Shami Chakrabarti, director of the human rights group Liberty, called for a new act of parliament to regulate the new powers and for police to require a warrant to search a PC.

"This is no different from breaking down someone's door, rifling through their paperwork and seizing their computer hard drive," she said.

Dominic Grieve, the shadow home secretary, said: "The exercise of such intrusive powers raises serious privacy issues. The government must explain how they would work in practice and what safeguards will be in place."

A spokesman for the Association of Chief Police Officers, said police carried out 194 hacking operations in 2007/08 in England, Wales and Northern Ireland, including 133 in private homes, 37 in offices and 24 in hotel rooms. The spokesman said such surveillance was regulated under the Regulation of Investigatory Powers Act.

"The police service in the United Kingdom will aggressively pursue serious and organised criminality, including where that takes the modern forms of hi-tech crime," he said.

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Critics attack upcoming email law

From 15 March all ISPs will be expected to store information on every email sent in the UK because of a European Commission directive. They will also be expected to make the information available to any public body that makes a successful legal request.

Dr Richard Clayton, a security researcher at the University of Cambridge's computer lab said the money could have been better spent.

He said: "There's going to be a record of every single email which arrived addressed to you and all the emails you sent out via your ISP. That of course includes all the spam.

"There are much better things to do to spend our billions on than snooping on everybody in the country just on the off chance that they're a criminal."

The Conservative peer Earl of Northesk, a member of the House of Lords' science and technology committee, complained that it meant anyone's movements could be traced 24 hours a day.

"This degree of storage is equivalent to having access to every second, every minute, every hour of your life," he said. "People have to worry about the scale, the virtuality of your life being exposed to round about 500 public authorities.

"Under Article 8 of the European Convention on Human Rights, privacy is a fundamental right... it is important to protect the principle of privacy because once you've lost it it's very difficult to recover."

The Home Office said the data was a "vital tool" for investigation and intelligence gathering.

ISPs have also admitted they are unsure how to move forward with this new directive. Malcolm Hutty from the London Internet Exchange (LINX), a membership association for ISPs, said: "The position as to what the ISPs are to do is not clear."

The ruling said that all ISPs must comply with the directive, yet the Home Office had told Hutty that small ISPs would be exempt. He said this left small ISPs "in limbo" and fearful of legal action in case a company grew in size later on and was then expected to start retaining data.

The data stored could later become part of the government's controversial Interception Modernisation Programme (IMP) proposals. Although now expected to be delayed until after the next election, the Communications Data Bill would have authorised relevant organisations to store the details of all telephone calls, text messages, emails and internet communications. The rules already apply to telephone companies, which routinely hold much of the data for billing.

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Tories make broadband promise

In tandem with the party publishing two independent policy reports on how the party could boost the UK's green technology market, Cameron is expected to say later today that urgent action is required to improve internet services in the UK.

He will say: "Fibre optic broadband is changing the way people work and do business, and it has the potential to completely transform our economy.

"It could open up new markets for our creative industries, promote innovation, create new, family-friendly jobs as people can work from home - and help reduce carbon emissions.

"But in Britain we have some of the slowest broadband speeds in the developed world and when it comes to investing in next generation broadband networks, like fibre optics to the home, we're doing very badly compared to countries like Germany.

"We need to move much faster towards a Britain where fibre right into people's homes is the norm for everyone and a Conservative government will do everything it can to make it happen within a decade."

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Should ISPs go it alone or find partners to provide next generation Broadband Services

Partnering to develop new services would speed up the relatively slow pace of new revenue-generating options today, while offering wholesale services increases the service penetration rate of high-cost fiber-to-the-home (FTTH) networks much faster than retailing alone will ever be able to do, said Felten, the Paris-based analyst who is lead author of "Fiber to the World: A State of the Union Report on FTTH," issued Dec. 31. The report details FTTH deployment to date, noting that many service providers in the US have made what Felten calls "dangerous technology bets that will haunt them for years," and of major service providers, only Verizon is pushing FTTH.

One key problem is that the new services that justify FTTH construction and enable service providers to earn a return on their investment have been slower to develop than expected, Felten said. One reason for that is that service providers are intent on developing their own services and are struggling as innovation engines.

"The service providers, for a large part, think they can do it on their own and may even see [potential partners] as competitors, which is ridiculous," Felten said. For example, a service provider could partner with a security company to offer home and business security services over their FTTH pipe. "Or they can crash and burn trying to offer their own security service, after which they would turn to the professionals, who then say, 'But you were competing with me before,'" Felten said.

For high-value services such as telemedicine, home security, remote energy management and more, telecom service providers don't have the expertise or the market credibility they need, Felten said. "There is a whole host of services where a telco has no legitimacy whatsoever – medicine, security, energy. Who is going to trust their health or their home security to Verizon? It doesn't make sense – as positive as the brand may be, it doesn't extend to these services."

What telcos should be doing is looking at how their networks can contribute to existing services and ecosystems not in the telco realm to make them work better, Felten said. "It's not an over-the-top [OTT] thing – it's a matter of adding value to your service, and both parties getting something out of it."

However, failure to partner will leave service providers vulnerable to OTT offerings, he warned. "If they don't partner, these services are going to emerge one way or another, but they are not going to be a part of it."

Felten admits he's also specifically puzzled as to why telecom service providers aren't offering videoconferencing services over their FTTH networks, noting the popularity of such an offering with older consumers who might not be looking for faster Internet services or more video content. "If you imagine the one application beyond healthcare that elderly people want is video to see their

grandchildren. Even if it's on-net only, this is a huge driver for your mother to subscribe to the same provider that you subscribe to."

The other danger is spending investment dollars on services that don't pan out, Felten said.

"Telcos don't have the innovative structures to launch these things fast on the market," he said. "What they don't understand – or some of them don't – is that the Internet has an ecosystem of services – it acts like a venture capitalist for you. There is one project that is going to soar and 100 that are going to die. If you are going to develop these yourself, you have to be willing to invest for the 99 projects that die to get the one that succeeds. Service providers who insist on doing this themselves haven't faced the fact that they should partner with these people instead of trying to replicate what they are doing."

Another mindset that needs to change is the prejudice against wholesale services on an FTTH network, Felten said. "Even the financial markets are convinced that if you have to share your network, you are going to make less money," he said. "If you look at projects that are financially successful, which I would describe as break-even in five to seven years, these are projects with over 60% take-rate. Today, these are relatively small scale – up to a few million homes past. On the scale of a country or a large region, if you want these take rates, you can't do it on your own. Wholesale may be a lower ARPU [average revenue per user] business, but it is a higher margin business, because costs are much lower."

Coming next: The role of regulation in FTTH deployment globall

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Self confessed hacker Gary McKinnon will plead to charges in UK

McKinnon has been accused by US prosecutors of "the biggest military hack of all time", after entering Nasa and Pentagon systems. His solicitor, Karen Todner, sent a letter to Keir Starmer, the director of public prosecutions (DPP), to say McKinnon would plead guilty if tried in the UK under the Computer Misuse Act (CMA). The letter was sent on 23 December.

Todner said: "Gary [McKinnon] has committed offences under the CMA, and has been diagnosed with Asperger's. I think it's time the DPP recognised that. Gary will plead guilty."

Todner said that under the CMA, McKinnon would receive a different sentence from the one he would receive if tried under US law, as in the US he would be prosecuted on charges of causing damage to military systems. She added it is "generally accepted" McKinnon would receive a more lenient sentence in the UK. The Londoner currently faces trial in the US, pending the outcome of an appeal to the High Court.

The Crown Prosecution Service (CPS) said on Monday 12th January that it had received Todner's letter. "We can confirm we received the correspondence and are considering that correspondence," said a CPS spokesperson, who added that no timescale could be given as to when Starmer would make a decision about the prosecution.

At the time of writing, 80 MPs have given their support for an early day motion that the government request repatriation for McKinnon should he be tried and found guilty in the US. **Prime Minister Gordon Brown in November spoke publically** about McKinnon, boosting hopes he would serve any sentence in the UK.

The self-confessed hacker, who was also known as 'Solo', is accused by the US government of hacking 97 US military computers and causing more than $700,000 of damage by deleting files. McKinnon has never denied accessing the US army, navy, airforce and Nasa computers but denies causing extensive damage.

He claims he was initially searching for evidence of extra-terrestrial life, and later found evidence of anti-gravity projects. McKinnon faces up to 70 years in prison if found guilty by a US court and, as it stands, would serve his sentence in the US.

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IP TV Slow to take up

The latest official BT figures indicate that there were 320 000 BT Vision subscribers at September 2008. Even taking into account the fact that the initial launch was a soft launch and that the service did not get strongly marketed until six months later, this represents a mere 7% penetration of its retail broadband subscriber base.

This compares poorly with some of its peers. Across the channel, Belgacom had achieved 7% IPTV penetration of its broadband access channels within one year of launch, rising to 12.4% within a year and a half and 16.3% within two years. In spite of a slow start, even Telefónica's IPTV subscriptions accounted for 7.6% of its retail broadband accesses in just under two years.

We define IPTV as video services delivered to the TV over a closed, managed IP network. This definition therefore excludes video services that are usually delivered to the PC, rather than the TV, over the public Internet, such as YouTube and iPlayer, which we refer to as online video. Although the UK was home to some of the first IPTV services in Europe, both of its pioneering services have struggled. Local incumbent Kingston Communications launched its service in 2000. The service reached 10 000 subscribers at its peak, but was shut down in April 2006, because the number of subscribers had dropped to 4000. HomeChoice, which offered its services across a limited footprint in Greater London , had 45 000 subscribers when it was acquired by Tiscali in August 2006. Although the new owner extended coverage, the number of subscribers had dwindled to 36 000 by September 2007, according to the last figures released by the operator. Tiscali is winding up its IPTV operations in its domestic market of Italy, and it remains to be seen whether it will continue to offer IPTV services in the UK. Even Orange, one of the world's most successful IPTV operators, seems to have quietly abandoned its plans for its delayed UK service at the end of last year.

IPTV has been gaining critical mass in several markets across the world, and several deployments now exceed a million subscribers – so why has it been such a failure in the UK? One of the key reasons is the tough competition it faces from other platforms:

- Digital satellite operator BSkyB dominates the UK pay-TV market, with nearly 8.5 million subscribers at September 2008. Not only does it offer an extensive range of programmes, but, unlike most of its peers, it is also an ISP, having acquired local loop unbundler Easynet in January 2006, enabling it to offer its 'see, speak, surf' triple-play services.
- Although its coverage only extends to around half of UK homes, cable operator Virgin Media is one of Europe's most advanced cable operators. Not only are over 95% of its nearly 3.6 million cable subscribers digital, the operator also offers fixed and mobile voice, and recently launched a DOCSIS3.0-based 50Mbit/s Internet access service, thus seizing the lead in the domestic broadband speed wars.
- Free-to-air digital terrestrial television (DTT) platform Freeview has had considerable success since its launch in 2002, surpassing BSkyB as the main provider of digital TV to UK households. The UK regulator Ofcom estimated that

over 9 million homes used Freeview for digital reception on their main TV set in September 2008.

Largely due to the above platforms, the digital penetration rate amongst UK TV households was estimated by Ofcom to be over 77% in December 2006 when BT Vision was launched, rising to 88% at September 2008, well above the European average. Therefore, BT entered the market too late to capitalise on digital switchover, and missed the opportunity that many of its peers still have in Europe.

Key to its strategy was the idea of targeting the small majority of UK households that have not opted for pay TV, offering them content beyond what is available via Freeview without having to commit to a regular subscription. The proposition consists of the 40-plus free-to-air digital TV channels delivered via DTT, while on-demand value-added content is carried over IP, with the additional benefit of a low-cost digital video recorder (DVR). This has so far failed to appeal to BT's nearly 4.6 million broadband subscribers, because the range of content, although growing, remains limited. The UK's rapidly growing online video market means that there are plenty of richer, PC-based alternatives to supplement Freeview.

Furthermore, BT Vision is even less likely to appeal to non-BT subscribers. Although there is no requirement for a regular pay-TV subscription, these benefits are pretty much outweighed by the commitment to a BT broadband subscription, at a minimum cost of GBP15.65 per month, excluding temporary promotions. In comparison, BSkyB's entry-level pay-TV package costs GBP16.50 per month, and offers more than 150 TV channels, as well as a near-VoD service with a good range of premium movie content. This is complemented by various broadband packages, starting with basic 2Mbit/s access free of charge.

Operating in such a tough environment, IPTV operators in the UK will have to redouble their efforts if they are to have any real impact or presence in the market. Unless they can offer a user-friendly TV experience that is genuinely differentiated from competing platforms, they seem destined for extinction.

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Nortel files for bankruptcy protection

Nortel Networks has filed for bankruptcy protection, the day before it was due to make an interest payment of US$107m on outstanding loans. Shares in the Canadian firm fell by 76% to just 75 cents, despite its brave protestations that this signalled an opportunity, while the company still has substantial cash reserves, to put a wholesale restructuring in place that would finally enable the telco equipment maker to put years of accounting scandals and sales declines behind it.

Nortel filed for protection from its creditors under Canada's CCAA (Companies' Creditors Arrangement Act); and some US subsidiaries in a Delaware court under the US Chapter 11 code. Some EMEA units are expected to make similar filings. The vendor blamed the global financial crisis, but the company has endured a long series of setbacks even before the downturn started, and analysts were speculating before the holiday period that it would be forced to file for bankruptcy protection.

In 2005, the company put in place a major reorganization in the wake of its accounting scandals, and current CEO Mike Zafirovski has battled bravely to build on that, but has been forced to more and more extreme measures to try to turn the ship. Most recently, last fall, he put the metro Ethernet unit up for sale, having already exited W-CDMA, and the whole future of the wireless business was called into question when the once high profile WiMAX development was offloaded into a partnership with Alvarion.

"The global financial crisis and recession have compounded Nortel's financial challenges and directly impacted its ability to complete [its] transformation," Nortel said in its statement. "Nortel is taking this action now, with a $2.4bn cash position, to preserve its liquidity and fund operations during the restructuring process."

"Nortel must be put on a sound financial footing once and for all," said Zafirovski in the statemement. "These actions are imperative so that Nortel can build on its core strengths and become the highly focused and financially sound leader in the communications industry that its people, technology and customer relationships show it ought to be."

The company's affiliates in Asia, including LG Nortel, and in the CALA region, as well as the Nortel Government Solutions business, are not included in the proceedings.

As usual under these circumstances, Nortel will continue daily operations, helped by a new deal with its contract manufacturer,

Flextronics, to maintain its supply chain, provided Nortel buys $120m of existing inventory by July 1 and then buys up excess inventory quarterly. The vendor, once Canada's highest valued company, insisted that it will continue to support all its products and invest in R&D in strategic areas (which could include LTE).

European Mobile Operators start 16Mbps download trials

The operator now plans to trial mobile data connections with peak rates of up to 21Mbps, by using HSPA+ with MIMO smart antenna arrays (the 16Mbps speed did not use the MIMO option, and ran in a 64QAM modulation).

Vodafone claims the MIMO enhanced system will be able to deliver a typical video download at over 13Mbps in good conditions and 4Mbps across a full range of typical cells including urban environments. A successful trial of this network will lead to commercial deployment in some networks by year end and Vodafone is also stepping up tests of devices for both 64QAM and MIMO implementations, both of which will require handset or dongle upgrades. Its Spanish tests were conducted with Ericsson and Qualcomm.

Ericsson is also, predictably, the key partner in TeliaSonera's trial of LTE, and the Swedish giant has signed its first commercial LTE contract with its home operator, to cover capital Stockholm during 2010. Ericsson will provide network equipment and implementation services and will manage the network during the initial period. The vendor will supply base stations from its new RBS6000 Series, Evolved Packet Core equipment and backhaul based on its Redback SmartEdge 1200 routers and new EDA multi-access aggregation switch. No financial details were provided.

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NHS Trust threatened by Health Officials.

The board of Rotherham NHS Foundation Trust has gone to open competitive tender for a hospital administration system. It is due to make a decision shortly on which system to buy. In an interview with Computer Weekly, the trust's chief executive, Brian James, revealed that health officials had threatened to charge his trust for the NHS software Lorenzo even if the trust purchased an alternative.

It has been rumoured that health officials have also made similar threats to other NHS trusts considering alternative options. If carried out, it would leave trusts paying millions of pounds for systems they do not install. NHS officials have for a long time recommended that trusts adopt the NHS options for software in the National Programme for IT (NPfIT). In particular, despite its problems in London NHS trusts, trusts in other areas of the country are still being encouraged to adopt the Lorenzo software, which is the cornerstone of the electronic patient records programme. The pressure from Connecting for Health – the body in charge of the NPfIT – is because the contracts with BT and CSC, which are worth approximately £4bn, guarantee a minimum level of business. If too many trusts choose alternative software, the companies can claim a non-deployment charge, with the cost of this paid for trusts having to pay for Lorenzo regardless of their choice.

Asked in the interview if health officials had put financial pressure on Rotherham to buy Lorenzo, James said: "They told us we would probably have to pay more. We would have to pay for the system they would have given us [in addition to any other system the trust bought]. It would still, from a financial perspective, pay us to do that."

James said that his board had been unable to obtain firm dates for the delivery of Lorenzo. Originally the trust had hoped to install Lorenzo in the 2006/07 financial year, but software delays made this impossible.

"We did as much investigation as we felt practical as to whether [Lorenzo] would be deliverable in a form that would be acceptable by 2010, and our assessment was that it would be possible but unlikely," he said.

Rotherham has claimed that its purchase will be an "interim" system – which is allowed under the NPfIT whilst a trust waits for the official software. James added that he believes he has convinced the local health authority, Yorkshire and Humber, not to charge for Lorenzo as they are opting for an interim system. The trust is expected to keep the interim system for up to eight years, implementing Lorenzo at the very end of its national roll out

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LOCOG could drop supplier Nortel

According to The Financial Times, London 2012 officials have a Plan B where they will approach other telecoms companies that bid for the Tier-1 sponsor contract to take it over instead. Cisco Systems could be one likely choice, the newspaper reported.

The communications supplier Nortel, which has just filed for bankruptcy protection, has insisted that it will still be able to deliver its communication commitments for the London 2012 Olympic Games.

Nortel filed for bankruptcy protection after losing almost $7bn since 2005. In December the New York Stock Exchange gave Nortel six months to bring its share price back above $1. Despite this, the company said its problems will not cause any adverse effect.

"Let me take the opportunity to reassure you that our commitment to the games as a tier one local sponsor and official network infrastructure provider remains unchanged as does our commitment to all our customers," said Mario DiMascio, vice president for enterprise business, northern region, at Nortel.

"We are very proud to have won these high-profile contracts and are looking forward to demonstrating the quality, reliability and flexibility of our networking solution on a global stage."

A spokesman for the London Organising Committee for the Olympic and Paralympic Games (LOCOG) refused to be drawn on speculation and told Public Servant Daily they were well aware of the situation and were monitoring it accordingly.

Other IT companies involved in the London 2012 Olympic Games are BT and Atos Origin.

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Every house to have fast broadband

In a draft report on the future of the telecoms and media industries seen by The Financial Times, Lord Carter will propose a "universal service commitment" to broadband – akin to the guarantee offered on postal services and fixed-line telephones – that by 2012 would provide minimum download speeds of 2 megabits per second to every household that wants it.

The communications industry is seen by the government as one of the sectors that could help bolster the country's failing economy.

About 40 per cent of homes did not have broadband by last year, according to Ofcom, the telecoms regulator, and some households – especially in remote areas – lacked the necessary infrastructure to secure it. The task of delivering on the commitment would rest with the private sector but fall on a combination of fixed-line and mobile operators because it is likely to be too expensive to roll out wired broadband networks to all.

The report has noted that using wireless broadband to fill the gaps is threatened by a dispute between mobile operators and Ofcom over the release of radio spectrum capable of supplying internet access. If no settlement is reached, the report will say the government will "impose a solution".

Funding for the new infrastructure is likely to come mostly from the private sector. The report is expected to recommend some "fiscal relief", yet the Treasury may veto that in light of its increased spending commitments.

The Department for Culture and the Department for Business said the report was "still at the very early stages of drafting".

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Firmware issue with Seagate disk drives

Based on the low risk as determined by an analysis of actual field return data, Seagate believes that the affected drives can be used as is. However, as part of their commitment to customer satisfaction, Seagate is offering a free firmware upgrade.

Please see below for instructions.

In the unlikely event your drive is affected and you cannot access your data, the data still resides on the drive and there is no data loss associated with this issue. If your drive is no longer accessible, click here to contact Seagate directly for further assistance.

Please use the following tools and instructions to determine if you have one of the affected products. If your drive is affected, we recommend that you update the firmware on the disk drive to prevent this condition.

Follow these steps to determine if a firmware update is necessary for your drive:

1. Click here for instructions on how to determine your model and serial number.

2. Click here to use the model number check utility.

3. Click here to use the serial number check utility.

4. Download Firmware:

If both the model number and serial number check utilities advise you to update your firmware, choose your model from the following table for further instructions:

Barracuda 7200.11	Barracuda ES.2 SATA	DiamondMax 22
ST31000340AS	ST31000340NS	STM31000340AS
ST3750330AS	ST3750330NS	STM3750330AS
ST3750630AS	ST3500320NS	STM3500320AS
ST3640330AS	ST3250310NS	STM31000334AS
ST3640530AS		STM3320614AS
ST3500320AS		STM3160813AS
ST3500620AS		
ST3500820AS		
ST31500341AS		
ST31000333AS		
ST3640323AS		
ST3640623AS		
ST3320613AS		
ST3320813AS		

ST3160813AS

If you need assistance updating your firmware please contact
Seagate directly at disksupport@seagate.com

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Ericsson to slash 5,000 jobs after 31% profit drop

The Swedish giant blamed its profit decline on restructuring costs and lower margins, with net income down to SEK3.89bn ($460.8m), from SEK5.64bn ($671m). Sales were up 23%, while gross margin was 35.2%, excluding restructuring charges (and 36.8% for the full year, compared to 39.3% in 2007). Outside of the Sony Ericsson venture, operating margins were improved, and CEO Carl-Henric Svanberg pointed to other strengths – high growth in professional services and a net cash position of SEK35bn.

Not known for over-enthusiasm, Svanberg nevertheless remained confident in the face of recession, telling the analyst results call: "The effects on the global mobile network market should not be that significant as most operators have healthy financial positions, there is a strong traffic growth and the networks are fairly loaded. It remains, however, difficult to more precisely predict to what extent consumer telecom spending will be affected and how operators will act. To date, our infrastructure business is hardly impacted at all, but it would be unreasonable to think that this would be the case also throughout 2009."

Therefore, Ericsson will continue to cut costs, by cutting 5,000 jobs this year, 1,000 in Sweden; by cutting back on use of consultants; and by consolidating R&D centers. In sales terms, Networks were up 22% year-on-year in Q4, and 10% in the year, with a record year for GSM roll-outs and growing momentum behind 3G. Professional Services saw sales up 34% in the quarter and 14% for the year. Sales figures were positively impacted by currency changes. But there was a decline of 2% in western European sales for the full year, though this picked up in Q4, which was up 5% on the year before and 39% on the third quarter, mainly because of contracts in Germany, Italy and Denmark. For the year, central and eastern Europe and MEA saw a 24% sales hike, and Asia-Pacific a 16% rise, with a strong Q4 increase of 49% largely driven by China. Though smaller markets for Ericsson, the Americas also saw year-on-year growth.

And over at Nokia Siemens, the biggest challenger to Ericsson said it was seeing increasing demand for its services business even in the downturn, and is seeing carriers looking to outsourcing and managed services as a way to ride out the storm.