

Website: Light Reading India

Date: March 3, 2013

LTE Will Stabilize By Early Or Mid 2014: Aircel

Aircel Ltd. is going through interesting times. The company is gearing up to launch 4G services in the country and it has conducted trials for the same. Besides Aircel is witnessing a healthy uptake of data services.

Light Reading India caught up with **Aircel's Chief Technology Officer, Sameer Dave** at Mobile World Capital 2013 in Barcelona, Spain. He spoke at length about the increasing data uptake, slower revenue growth, backhaul issues and LTE rollout plans.

Here are the excerpts of the interview:

On Backhaul Issues

Backhaul is one of the biggest challenge which we operators are facing especially telcos like us who do not have a large amount of fiber. Different solutions like microwave and fiber are available in the market but the challenge for us is that it has to be cost effective. We would be using different technologies for different circles and locations. It cannot be one-size-fits-all.

Microwave is one of the technologies that we would be using. We have to lay our own fiber depending on the subscriber growth in that particular area. If the subscribers are going up in that particular area then we invariably have to use fiber to the site. Or if digging is not possible because of Right of Way (RoW) issues, then we have to use short-haul microwave or IP microwave backhaul or in some cases even LTE as backhaul.

On LTE Ecosystem

It is a timing issue. The ecosystem of the technology is very important. The devices are an issue right now. We can build a great network but if there is nobody to use that network because there are no devices then what is the point. The ecosystem is not yet developed on the devices side. It should be ready by Q3 or Q4 [of the calendar year]. Once we have a large number of devices for people to use, the other leg of the ecosystem would be content along with the delivery system. All this should be ready by Q4 and then we would need a quarter or two for it to stabilize. So in my view Q1 or Q2 of 2014 would be the right time for TD-LTE to really stabilize. We have eight licenses, so we are very well positioned once the ecosystem is ready.

LTE success is dependent on good spectrum which is required from the Government of India. Right now it is on 2300 MHz . The ecosystem will develop faster for India once they come out with 700-MHz spectrum. Once that happens the capex per site will really come down. We are requesting the government of India for swiping the spectrum. 700 MHz spectrum is needed for a country like India.

On Key Challenges As A CTO

The challenges are in keeping the network up and running because of loss of power (at the base stations). As CTOs we are focusing on the basics but we should talk about strategies and other things. Then we also have issue of theft and pilferage. Also, there is the issue of RoW. We don't get that easily in India. It has to be a very smooth transition between the municipal authorities, the local government and the central government. Once we get our licenses from the government it should automatically include RoW. Not that we would dig up every road and highway in the country. All the operators are pretty conscious. Sometimes it takes six months or more to get RoW, so the business case is lost.

Third, there is the big issue of talent retention. We have to keep them engaged and always involved, give them challenging assignments. It is a big issue at this point of time. We constantly have to motivate people by giving them new projects. Radio talent is very difficult to get by and very difficult to retain as well. This is in spite of the current challenges of slowdown in the Indian telecom industry.

On Increasing Data Uptake

It is actually very circle dependent. But from January to December last year it almost grew by 70 percent nationally. But 2G data is also growing more than 3G because of the fact that 2G base sites are larger in number and 3G base stations are relatively less in number. We are experiencing a lot of growth and a lot of capacity challenges. However the problem is that traffic is growing but revenues are not keeping pace with that.

As of now, the data uptake is dominated by the youth market and the young professionals. Yes they are using social networking and downloading videos but at this point of time it is a good balance. There are others who download presentations.

On Telcos Being Called Dumb Pipes

Telcos always say that the Googles and Amazons of the world are making us dumb pipes but the other side is that these over the top (OTT) players are also exciting the market. Globally some telcos have as much as 30 percent of their traffic coming from Facebook. So it is the way you see it—the glass is half empty or half full.

-Gagandeep Kaur, Editor *Light Reading India*