

News Flash



Nine Global Vendors in Race for MTNL's 3G

The state owned telecom major Mahanagar Telephone Nigam Limited (MTNL) is gearing up for procuring the country's first 3GSM (WCDMA) mobile network to be installed in Delhi and Mumbai. It has already invited suggestions from the prospective vendors. Nine of them have responded so far and only one company will be selected for this project through competitive bidding. The nine vendors are:

1. Alcatel
2. Ericsson
3. Lucent
4. Huawei
5. Motorola
6. Nortel
7. Nokia
8. Siemens
9. ZTE

The mega deal is four million lines – two million 2G network and two million 3G network, distributed equally for Delhi and Mumbai. The network envisages about 1,000 Base Transceiver Stations (BTS) sites in each Delhi and Mumbai including the co-locations of equipment at the existing sites. It will be a turnkey project with a pre-defined Quality-of-service (QoS) to be guaranteed under the project.

The senior officers in MTNL feel that the 3G project will be less costlier than the 2G project as the traffic handling capacity of BTS of 3G is much higher compared to BTS of 2G. The project cost is estimated at Rs 2,000 crore (about \$450 million).

MTNL plans to soft launch 3G services by the end of December 2005. Though the 3G spectrum issues have not been resolved yet, sources told Telecom Live that Thiru Dayanidhi Maran, minister of communications & IT has promised his support for the project.

MTNL feels that it would be able to reap the benefit for being pioneer in 3G services only when it is allowed to select the best technology in the world from the vendors with requisite experience. It feels that allowing its own network to be a test-bed for the maturing networks of new 3G vendors will be disastrous for MTNL. Weightage is likely to be given to the vendors who have established certain minimum numbers of proven 3G networks in the world and also who have got relevant 2G experience as well.

The project envisages seamless services between 2G and 3G networks not only with the proposed ones but also with the existing 2G networks of MTNL. This would mean that even a subscriber of 2G services, who has dual band handset, would be able to catch the signals from 3G network in areas where the 2G signal is poor. It would be true vice versa. This switching over will be automatic and MTNL subscribers will be able to enjoy better signaling coverage.

MTNL is also looking for content providers for its existing GSM services. Though certain minimum number of 3G handsets is likely to be ordered alongwith the main equipment but MTNL plans to procure in bulk separately.

A committee, under the chairmanship of SP Pachauri with SK Gupta, RK Mittal and V Sampat Kumar as members, is looking into the final aspects of the terms and conditions and technical specifications. The committee would submit its report to Kuldeep Singh, Director (Technical) of MTNL.

Key Highlights of the 2G + 3G tender are:

- To procure 2mn 2G and 2mn 3G networks
- Estimated cost of Rs 2,000 crore
- Seamless switchover between 2G and 3G networks for better coverage to subscribers
- Targets December 2005 for soft launch
- No reserve quota for ITI Ltd.

Key hurdles are:

- Allocation of 3G spectrum
- Selection of proven technology
- Site procurements takes long time

Source: Telecom Live, May 2005