

Pipeline

Knowledge Is Power

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by Alana Grelyak

“Open” is the word of the day here in the Pipeline newsroom. With Verizon’s announcement to supposedly open its network and AT&T’s excitement to jump on the bandwagon, along with Google’s push for open software, we’re seeing that four-letter “O” word everywhere. There was a lot of news this month regarding wireless services and their providers, as well as a bit of the usual. Enjoy your very first OSS NewsWatch of the year and keep reading in the months to come. There’s sure to be plenty of interesting events in 2008.

Verizon has certainly had an interesting end to 2007. First of all, Vonage has been ordered to pay \$117.5 million under the terms of the infamous patent dispute settlement. That certainly won’t be an unwelcome addition to Verizon’s coffers, although Verizon seems to be doing quite well on its own. A recent announcement says that Verizon Wireless is collaborating with mobile network operator Vodafone, which has a presence in 25 countries, in an effort that is “aimed at giving select business customers an enhanced global communications experience.” In another attempt at growth, Verizon’s Business unit is planning to build 2,000 miles of ULH (Ultra Long-Haul) network in various parts of Europe in order to keep up with what Verizon believes is a demand for high-bandwidth services. In the hopes of growing its business in the United States, Verizon is giving away free 19-inch HDTV’s in states such as New Jersey, New York, and parts of Connecticut to customers who sign up for its triple play services. HDTV’s are certainly more likely to draw in more new customers than would, say, a coffee mug or even a month of free service. And, last but not least, Verizon has decided to open its wireless network for customers to use any type of mobile device that they darn well please, although there are still some questions that Verizon hasn’t answered yet, such as how much such the service will cost customers in the long run, or how customers who don’t use CDMA devices will be able to use the Verizon service. Also, Verizon CEO Lowell McAdam has also made it clear that Verizon supports Google’s plan to write its own software for its forth-coming Android mobile device. These are all bold moves for a company with so much presence and, chances are, Verizon’s competitors will feel like they need to follow up with some bold, if not similar, moves of their own.

On that note, Google may have offended Sun. Google has written its own software called “Dalvik” that seems to be able to skirt the traditional Java Micro Edition way of running Java applications. Some opponents are claiming that Google did it to

avoid licensing fees while mobile software developer Hari Gottipati speculates that if Google had just asked nicely, Sun would have waived the licensing fee and allowed Google to use the JME for its Android phones.

It would seem that AT&T is now advertising the fact that customers can use any phone they want on the AT&T network starting immediately. This move is likely to be due to Google's upcoming Android and Verizon Wireless' announcement to make their network open as of mid-2008. Although, some research companies are claiming that perhaps AT&T is jumping the gun a bit and making some semi-truthful statements.

Jack Gold, of J. Gold Associates wireless research and advisory firm, had this to say: "If you're assuming that you can take an AT&T SIM card out of an AT&T device and plug it into any other GSM device, then it is open. The problem arises when you want to do anything more than make a phone call."



In an effort to reduce customer service costs for wireless handheld users, a company called LogMeIn Inc. is developing a software that will allow internal IT technicians to directly connect to a particular handheld and solve the problem without the help of the wireless carrier. Roger Entner, one of the senior vice presidents for IAG Research, said that such calls can cost about \$12 each with the average customer calling in four or five times per year. LogMeIn plans to launch the software commercially sometime in early 2008.

Orange is making unlocked iPhones available in France for a price of \$964 American dollars (€649), which seems rather steep to Americans but is a bargain to Germans who are getting the device from T-Mobile for €999. What's the catch? It costs another €100 if the customers want it unlocked within six months of purchase.

Alltel is helping parents keep kids away from smut by allowing parents to install an "Alltel Parental Controls" application. The application will block information dealing with pornography, weapons, gambling, and possibly violent content, and Alltel says it plans to update the information every single day to make sure nothing gets to the kids that shouldn't. It will be available in February of 2008.

An application that may become desirable (at least in the eyes of consumers) is something that will block spam texts from coming through to handhelds and cell phones. Spam messages went up 38% in 2007 from the previous year and are costing consumers, and service providers, money. Verizon sued some telemarketers in May of 2007 for sending out 12 million spam text messages that resulted in a major headache for the mobile giant and an inconvenience to almost 5,000 customers.

Cisco spent \$10 billion to buyback its own stocks in a move to increase their values. It has been in the midst of a buyback program since September of 2001 and has managed to double the value of their shares since that time.

In other news, Telecom Italia has, after months of uncertainty, elected some new senior management in the forms of Franco Bernabe as the new Chief Executive, and Gabriele Galateri as the new Chairman.

Padmasree Warrior, who recently parted ways with Motorola, has been appointed as the new CTO of Cisco Systems.

MatrixView Limited has announced its new web acceleration solution called SWISH™, which "tackles today's Internet traffic congestion and rich media drain by speeding search and Web content delivery times..." MatrixView claims that SWISH "improves the user experience by optimizing the delivery of dynamic content, with significant implications to the industries of search marketing and mobile advertising..."

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