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AT&T No Stranger to mHealth

nSpire Health has signed on AT&T to provide wireless connectivity for nSpire's mobile data application, which will facilitate pharmaceutical trials of new respiratory products. Colorado-based nSpire offers products and services for respiratory care. Via its PiKoLogic device, nSpire monitors respiratory patients as they intake new products, and patients can input their response into the handset. The data is then uploaded wirelessly to the pharmaceutical companies conducting the trial. Those companies would evaluate products based on the information collected, and even forward those findings to support their cases for FDA approval.

Chip Owen, nSpire's global director of Clinical Trial Information Services,said, "Patient trials of new drugs are a very important part of research and development processes for international pharmaceutical companies, as this helps them to create and market new drugs. We knew we needed a cost-effective solution that moved as quickly as our customers do and maintained a high level of data accuracy and security.AT&T answered our call for flexibility in machine-to-machine services."

The PiKo device will be supported by AT&T's Enterprise On-Demand (AT&T EOD) platform, which will allow nSpire to control and manage their wireless device inventory. The platform will enable nSpire to wirelessly monitor and control specific features of the device, thereby mitigating problems stemming from patient misuse.

This isn't AT&T's first time at the mHealth rodeo. Recall, last month the number two US wireless provider announced two key strategic mHealth partnerships. The first was with medical imaging solutions provider Calgary Scientific to add that company's ResolutionMD product to AT&T's Medical Imaging and Information Management offering, and the second was with Accenture. As part of the latter deal, AT&T will provide the network and cloud hosting capability for the Accenture Medical Imaging Solution, which affords physicians and radiologists the ability to view, share and store x-ray, CT and MRI images via the cloud.

Earlier this month, analyst firm Frost & Sullivan bestowed upon AT&T a 2011 Competitive Strategy Leadership Award for mHealth. Frost recognized AT&T for its strategic partnerships to innovate new solutions; solutions addressing "Healthcare at home" challenges; and for its work toward managing common conditions like diabetes and heart disease.

Randall Porter, assistant vice president, AT&T ForHealth, told Pipeline, "We define mHealth very broadly, utilizing mobile technologies, devices, and machine-to-machine connectivity or applications, to improve on or develop new healthcare solutions that can drive down medical costs and help improve patient outcomes."

mHealth is just one tine in AT&T's four-pronged ForHealth approach, which aims to deliver wireless and network service for healthcare; the other three being telehealth, cloud-based healthcare and Healthcare Information Exchange (HIC). Porter added, "People are increasingly thinking about their own health and wellness. mHealth presents exciting potential for increasing patient engagement and improving outcomes, while enabling greater provider productivity and reducing costs. Healthcare is an industry well-suited to take advantage of mobile technologies as they can allow caregivers to have immediate, real-time information about a patient's condition and response to treatment."

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Correlated to the ForHealth initiative, the company's Emerging Devices Organization has been making forays into health-related wireless devices. David Haight, Emerging Devices VP of Business Development, said, "We're constantly looking for viable applications in Healthcare so that we can wirelessly enable innovative connected devices. Whether it's wireless sensors embedded in clothing to monitor people's vital signs or a prescription bottle sending you reminders to take a pill, it's clear that mHealth solutions have significant potential to increase access, decrease costs and improve outcomes in healthcare."

AT&T, through the Emerging Devices unit, has cinched deals to provide wireless connectivity for Nantworks' Vitality GlowCaps—a wireless pill bottle top which reminds you to take your daily meds—and BlueLibris. At the beginning of November, we heard AT&T was working with Zephyr Technology on a monitoring device which snaps on and off of a shirt. The module tracks the wearer's vital signs and uploads them to a web portal. Just last week, we reported that AT&T is teaming up with Virginia bioengineering company Exmovere to wirelessly enable baby pajamas that monitor and transmit vital signs in infants. Real-time data and alerts give this product a tangible edge over traditional radio nursery monitors which is good, because ever since I watched "The Baby's Room," those things have creeped me out to no end.

AT&T's Boulevard of Broken Deals

On a separate front, AT&T has officially conceded defeat in its abortive acquisition of T-Mobile. The process, initiated back in March, derailed at the end of August with the DoJ's suit to block the merger and is now dead in the water. AT&T's Dec. 19 announcement emphasized the proposed deal's worth as an "interim solution" to a consumer spectrum shortage as opposed to a means of supplanting Verizon for the number one wireless spot. Randall Stephenson, AT&T's chairman and CEO stated:

"To meet the needs of our customers, we will continue to invest. However, adding capacity to meet these needs will require policymakers to do two things. First, in the near term, they should allow the free markets to work so that additional spectrum is available to meet the immediate needs of the U.S. wireless industry... Second, policymakers should enact legislation to meet our nation's longer-term spectrum needs... The mobile Internet is a dynamic industry that can be a critical driver in restoring American economic growth and job creation, but only if companies are allowed to react quickly to customer needs and market forces."

Under the terms of the deal, AT&T will have to pay T-Mobile parent Deutsche Telekom over $3 billion in breakup fees, and about $1 billion in wireless rights. The two companies will enter into a roaming agreement for a reported seven years.

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Five days ahead of this announcement—less than two weeks before Christmas—AT&T had laid-off 100 of its customer information specialists in Connecticut, in a move the company says owes to America's continued shift from POTS to wireless. AT&T cited a 54 percent decrease in operator-handled calls over the last three years. According to the company, despite the wireline layoffs, it is still hiring in other areas of its business, like U-Verse and retail stores.

In an otherwise gloomy Christmas for AT&T, there was a silver lining to go with their silver bells. On Dec. 22, the FCC approved AT&T's proposed $1.9 billion purchase of San Diego-based Qualcomm's 700 MHz spectrum licenses. AT&T will receive 6 MHz across the country, as well as an additional 6 MHz in New York, Boston, Philadelphia, Los Angeles and San Francisco. Those five major markets represent some 70 million potential customers for AT&T.

AT&T is not the only one to have raised red antitrust flags. The DoJ is reportedly looking into Verizon's spectrum deals with SpectrumCo—a joint between Comcast, TWC and Bright House—and Cox. Those two agreements, signed in December, amount to almost $4 billion.

Informa Research Finds Telco Leaders Outperforming Broader Economy

Informa Telecoms & Media's new World Telecoms Financial Benchmarks (WTFB) service has borne fruit in the form of some good news for telco. At the end of November, the research firm reported that data collected by WTFB indicated that Q2 revenue at the world's leading telcos grew over 6 percent year-over-year to $327.6 billion, compared to 1.8 percent growth in the broader economy. Informa attributes this outperformance to resiliency in consumer and enterprise telco spending and to adherence to financial and operational discipline by the industry's leaders. Also, they point to strategies operators have adopted to buffer themselves from the global economic climate, notably tapping emerging and developing markets; partnering to share the load; and streamlining operations.

Milena Konecna, financial data analyst at Informa Telecoms & Media, said, "This broadly impressive performance has taken place against the back-drop, not just of weak growth in the global economy, but bruising competition from new entrants and MVNO players in conjunction with regulatory-led reductions in the amounts operators can charge each other for terminating traffic on their networks (MTRs), each of which has put considerable pressure on revenues, especially those generated by voice services."

Launched in early December, WFTB tracks key performance indicators—both financial and operational—among the 40 largest global operators. They identified one trend which finds big carriers are focusing less on growth and more on obtaining and keeping customers, as well as on upselling those customers on more types and ranges of service.

Operators are enjoying the benefits of snowballing demand for mobile internet; the proliferation of inexpensive smartphones; and a wealth of opportunity in enterprise M2M. However, the deck of economic conditions is largely stacked against them.

Says Konecna stated that, "Given the head-winds created by the global economy, plus often intense competition from non-telecoms players on core services, the operators have, looked at as a whole, successfully implemented strategies that have enabled them to significantly outperform the global economy."

One coping strategy involves expansion into developing markets, where the fields are ripe for the picking, notable adopters of which include Telefónica

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and Vodafone. Another finds carriers entering into strategic partnerships to share the burden—viz., O2 and T-Mobile's network sharing deals and the Deutsche Telekom/France Telecom-Orange joint procurement venture. Additionally, some companies are moving to leaner and meaner profiles by sloughing off their non-core assets.

Telecoms can expect to feel the financial squeeze tighten further, particularly as they invest more deeply in LTE and fiber rollouts. Paul Lambert, Senior Analyst at Informa, told us that the capex of the top 40 telcos grew 4 percent year-over-year to $47.5 billion in Q2 '11 but, compared to the 12.3% YoY growth seen in Q2 '10, this represents a slowdown of 8.3 percentage points. Interestingly enough, capex among developed operators fell 1.5 percent YoY in Q2 '11 after having grown 25.5 percent in the year ago period. Developing operators, however, witnessed the opposite: their capex rose 19.5 percent YoY in Q2 '11 after dropping 13.4 percent the previous year.

Lambert identified CSPs AT&T, China Mobile, NTT, Telefónica and Verizon as capex overspenders, owing to their investments in new technology and network equipment. He added, "China Mobile is rolling out a major nationwide TDD-LTE network and modernizing its GSM network to enable it to handle data. China Mobile also needed to invest heavily in the development of TDD-LTE as a viable global standard. The operator expects to have as many as 6,000 TDD-LTE sites by 2Q/12. Of the large scale multi-region operators who didn't roll out wide-scale LTE networks, Telefónica is quite typical in allocating capex to increase capacity of fixed and mobile broadband networks, e.g., doubling the amount of 3G base stations in Mexico."

Going forward, operators in adjacent sectors—like cable—pose an ever-present threat to telcos' customer bases. Lastly, Informa concludes that it is still too early to tell where telecoms fit in the connected device and M2M value chains, and how profitable those areas will ultimately be.

The Facebook Phone: So-cial, So-phisticated... So What?

Liz Gannes and Ina Fried, over at All Things Digital, came out with a series of articles in November heralding Facebook's collaboration with Taiwanese cell phone manufacturer HTC to develop a Facebook phone, code-named Buffy. Heading into the holidays, word lit up newswires and blogs like—well, like a Christmas tree.

Their initial post prompted TechCrunch's MG Siegler to remind us that TechCrunch had reported this over a year ago. The All Things duo carefully elucidated that the Buffy project was neither a new project, nor the same project Siegler covered in September '10 but, rather, a resurrection of the first, which had foundered in a perfect storm of corporate politics and drama over at the big F.

As for the name, it turns out the Buffy moniker is the culmination of a circuitous evolution, both linguistically and cognitively, from the project's beginnings. The original project needed a name based on the "Social Layer" platform. Social Layer was broken down and agglutinated into the portmanteau, "Slayer," which, owing to its violent overtone, was watered down to "Buffy" in a nod to Joss Whedon's vampire-killing schoolgirl. In keeping with the metaphorical spirit, Facebook's Buffy project rose from its apparent grave, resurrected by Facebook CTO Bret Taylor.

In lieu of actual comments from Facebook and HTC, unidentified sources close to the project (USCPs) are saying Buffy will feature a heavily-forked Android platform which integrates Facebook services. The initial response from the blogosphere and twitterverse has been largely underwhelming, which raises the question; do people even want a Facebook phone?

Back in November, France Telecom-Orange announced that cell phones featuring deep-integration of Facebook were the cornerstone of that company's planned foray into Eastern Europe and Africa. That initiative will launch in thirteen countries throughout the year, and its success (or failure) may give some visibility on Buffy. But, then again, it might not. The bigger picture of Orange's Africa story is not so much of the phones themselves, but the leveraging of developing markets.

Gannes points out the upside of a Facebook phone lies in taking FB out of the realm of app and integrating its social features into the broader functions of contact lists, calendars, inboxes and maps.

One more thing to consider: for people with distant relations of friends, Facebook is a less expensive alternative to international calling. But, what's the most compelling reason to own a Facebook phone? So that your private information will become available for sale to corporations while you're on the go, of course. I know, right? Who wouldn't want that?

Microsoft Readies 360 for Upcoming Battle over the Living Room

Microsoft is hammering it home that the Xbox 360 isn't just for Halo anymore. That company has been busy striking up deals with broadcasters and content providers across the world as part of its bid to crown the 360 as king of the connected living room. Most recently, Microsoft entered into partnerships with Verizon and France Telecom-Orange to bring FiOS and Orange TV programming to the console. Both deals feature gestural and voice command over the viewing experience via Microsoft's Kinect input device, and they are only the latest in a string of content partnerships with heavy hitters such as AT&T, Netflix, Hulu+, ESPN, YouTube and Zune. Microsoft expects to add programming from the BBC, Bravo channel, Canal+, EPIX and HBO GO to the Xbox Live portfolio.

In September of last year, Informa had predicted that connected TV platforms would prove the dominant gateway to the connected home, rather than any one device, but it's certainly not seeming like Microsoft will give in that easily. Powered by assets like its Bing voice search engine and Skype VoIP, the Xbox is shaping up to be a major contender for entertainment and communications in the living room.

Respect for a Fallen Rival

And finally, we at Pipeline say goodbye to Connected Planet. Penton Media shut down operations of connectedplanetonline.com as of Dec. 23. Warren Bimblick, SVP of strategy and business development at Penton, explained, "We tried for some time but it never achieved an appropriate revenue model."

Connected Planet filled some pretty hefty shoes, following as it did in the storied footsteps of the 100 year old Telephony magazine. The closure of Connected Planet signifies the end of an era and it will leave a lasting impression on the marketplace.

As for Pipeline, we will continue to bring you the news, information, and emerging technology from the world of communications to help you shape your business in this new year.