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Knowledge Is Power

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"Wi-" is the word (or half of a word, anyway) this month with news of Sprint's renewed WiMAX venture alongside news of Philadelphia's failing WiFi contract with EarthLink. And then there's Carl Icahn's methods of trying to force Yahoo into a Microsoft takeover, which leaves some asking "Why?" In addition to those pieces of information, you'll find the usual golden eggs that keep you coming to Pipeline month after month.

With trade show season in full swing, we've decided to offer you complete write-ups for Management World, Nice; The Cable Show 2008; NXTcomm; and B/OSS World rather than putting the information here. So, for info on those events, check out the full articles about each. And now, without further ado, here's your NewsWatch for June.



Sprint's CEO Dan Hesse had to explain to shareholders at a recent conference why Sprint is still losing customers and what they're going to do to fix the problem. It seems that Sprint's recently announced partnership with Clearwire Corp. and the WiMAX baby that will ensue is one of the possibilities that will dig them out of their hole. "Sprint will be the only wireless carrier providing landline-level capability to mobile customers," said Hesse at the conference. Google, along with Intel, Time Warner Cable, and Bright House, is financially backing part of the WiMAX project and all parties involved have committed to a \$12 billion combined investment. "Google is a firm believer in supporting new ways for people to access the Internet,"

said Eric Schmidt, chief executive officer and chairman of Google. "We are proud to invest in the new Clearwire alongside several leading technology and communications companies, and we believe that its planned WiMAX network will increase the ability for users to get high-speed broadband anytime, anywhere." As of publishing, Sprint has just announced that WiMAX is ready for a commercial launch in the test market of Baltimore-Washington, D.C. An official date for the launch has not been announced.

Philadelphia's city-wide WiFi contract with EarthLink is in turmoil due to EarthLink's reported losses of \$200,000 per month in operating costs caused by a failure to attract enough customers to the service, which is reported to be unreliable and difficult to deploy. EarthLink is trying to back out of their 10-year contract and is taking the city of Philadelphia to court in order to do so. EarthLink cannot seem to find a buyer for the network that it spent \$17 million to put together and is having trouble even giving it away with a bonus of \$1 million in cash. Perhaps they should offer it to me...



Financier Carl Icahn has reopened the issue of Microsoft taking over Yahoo by criticizing Yahoo for not accepting Microsoft's bid of \$33 per share and by beginning a proxy battle in order to force Yahoo to reopen negotiations. In a letter he wrote to Yahoo's board, Icahn stated that "It is unconscionable that you have not allowed your shareholders to choose to accept an offer that represented a 72% premium over Yahoo's closing price of \$19.18 on the day before the initial Microsoft offer." He also wrote, "I sincerely hope you heed the wishes of your shareholders and move expeditiously to negotiate a merger with Microsoft, thereby making a proxy fight unnecessary." At this point, any leverage that Yahoo may have had is unlikely to be available to them any longer, particularly with this undermining of their decision by someone on their own team. Microsoft, as of our publishing deadline, doesn't seem particularly interested in making another attempt at purchasing Yahoo while the disgruntled Icahn is throwing his own little tantrum. Will it make a difference? It reminds one of a failed betrothal, complete with angry parent attempting to force a union. I, for one, am eager to see how Yahoo and Microsoft handle this situation in the near future.

The Telecommunications & Media practice at Compete released the results of a survey that suggest consumers may be willing to sign up for quad-play services from their existing telco or cable provider. Of over 2,500 customers surveyed, 43% said they were willing to purchase cell phone service from their current provider. The interest in bundled packages seems to be steadily increasing and it seems likely there will be more talk of "quad-play" in the future, leading to some interesting partnerships between wireless providers and cable and telco providers. Speculation on this topic leads to several questions: Will consumers come out ahead in a system where one company can control all of their communication needs? Will telcos and cablecos start adding car insurance, electricity, and gas services into the mix and end up with "quint-play" or "sept-play" services? (What you would call a bundle of six?) Will Sprint be the last kid in class picked for a team? Stay tuned to Pipeline to find out...

Comcast has decided to buy Plaxo, 50-employee company in Mountain View, California that specializes in staying connected socially. The purchase will enable Comcast to go add social networking services to Comcast.net, Fancast.com, and Fandango.com, services that Comcast says will also be available through customer's set-top boxes and various other devices. The partnership with Plaxo is part of Comcast's effort to launch its SmartZone™ communications center, a tool which is supposed to give customers free access to "many of the most innovative and popular communications tools..." The partnership also includes HP, Zimbra, and "Other Industry Leaders to Creative Innovative Web-based Communications Application."

Verizon Business has won a contract to deploy and manage a secure global IP network that will link thousands of U.S. Department of Homeland Security sites under a new Networx Universal task order. Verizon Business will serve as primary service provider under the OneNet program, providing managed IP and security services, and will help the 22 agencies that make up the Department of Homeland Security combine onto one common and secure IP network. Verizon Business will also employ Emergency Communications Services, "a new service available to all government agencies under Networx Universal, to help DHS better prepare for emergency response to man-made and natural disasters. ECS will enable DHS to establish quick, mobile connectivity to any affected area within the United States and its territories to help meet its mission of disaster response and disaster recovery." The agreement is valued at \$678.5 million and will be valid for the next 10 years.

Comptel has just announced that the number of its telecom subscribers on the Indian subcontinent has reached near 200 million. Mr. Parag Grover, Comptel's Country Manager for Indian subcontinent, comments: "We are really pleased with Comptel's success on the Indian sub-continent. Many of the leading service providers in the region are Comptel's customers. Our excellent relationship with our customers and our partners bodes well for the continued success of Comptel in the region."

Clarity also has an announcement about subscriber numbers; they've just hit the 120 million subscriber mark. Raj Thangiah, Vice President of Sales and Marketing of

Clarity, said: "We put our success down to making ourselves tremendously easy to do business with. We're acutely aware of systems integrators obligations to telcos and in turn, telco's service obligations to their customers. This milestone of 120 million subscribers is testament to the success of the unified OSS market as a whole as well as a clear endorsement of Clarity's business model."

Trango Broadband Wireless has just been awarded a five-year U.S. General Services Administration Schedule 70 contract. What does that mean? It means that Trango will be providing government agencies with IT and telecom products and services that can be ordered and accessed online via the GSA Web sites. Trango is particularly proud that one of the products being offered in this way will be point-to-point licensed and unlicensed microwave wireless backhaul equipment.

Mark Nicholson, CTO of Subex, has been chosen to serve as an Advisory Direction for TM Forum. "I am pleased to continue Subex's continued and active role in supporting TM Forum and the outstanding job it does to drive innovation and collaboration within the communications industry," said Nicholson. "I look forward to sharing the knowledge and successes we are achieving every day as Subex and its customers deploy state-of-the-art Revenue Maximization and Fulfillment Solutions that were unheard of just a few years ago."

If you have news you'd like to share with Pipeline, contact us at editor@pipelinepub.com.