

Pipeline

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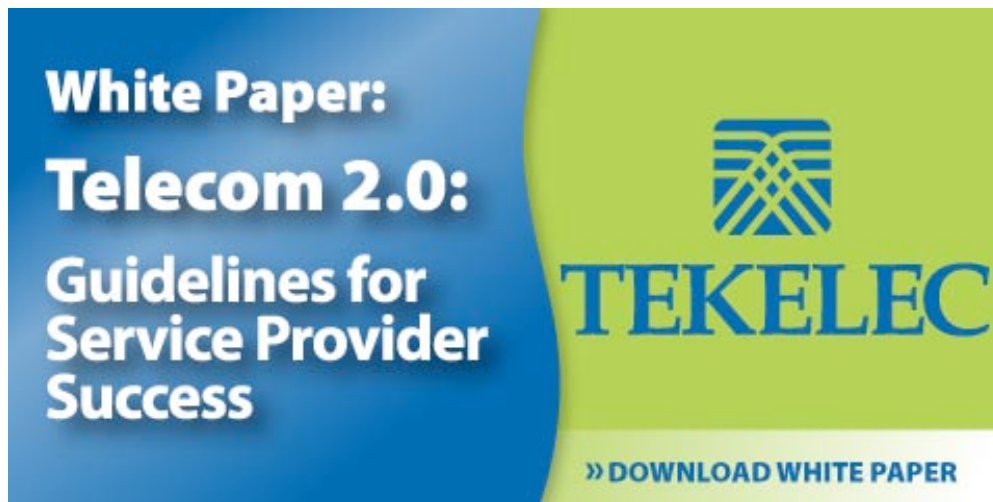
By Phillip Britt

On the Floor at SUPERCOMM:

SUPERCOMM has had a history of showcasing technologies that sound great, but may not have a lot of the bugs worked out yet. The technologies have some value, but perhaps not enough traction to be viable in the marketplace yet, or pricing has yet to be determined, or other parts of the business-technology relationship have yet to be worked out.

Wireless was all the rage at the SUPERCOMMs of the late 1990s, but it was a few years before everyone was carrying a cell phone. Next was broadband wireless, discussed for a long time before 3G became a reality. Location-based services were discussed a couple of years later, but they're still in their embryonic stages.

But the demand for some solutions makes for faster rollouts and adoption. That was the story in the sessions at SUPERCOMM. Mike Mulica, CEO of Fusion One, expects to see a strong market for synchronization services on the Internet. Synchronization in the cloud alleviates many of the issues with typical synchronization services.



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We're all aware that it's not uncommon, these days, for people to upgrade cell phones or simply switch to another carrier for better service or pricing. If upgrading with the same carrier, carrying contacts from one device to another may be relatively easy. But different carriers and different

devices use different platforms, making updating of contacts and other critical information that much more difficult. Maintaining that address book information in the cloud makes these changes easier and helps recover that information if the device is lost or stolen.

Among the information that might be stored in the cloud is social networking information, said Matt Anderson, product marketing manager for Amdocs. That information provides a tremendous marketing opportunity for telecom providers, who can partner with different merchants and share in the sales to members of different social networks, Anderson said. Obtaining referrals from one social network member to another (e.g., one Facebook member to a "friend") is a powerful marketing tool, he said.

Anderson encouraged telecom service providers to look into these marketing opportunities because it could augment the revenue from their primary businesses.

(Amdocs' latest business move may also contribute to these opportunities. Less than a week after SUPERCOMM, Amdocs acquired jNetX, a privately-held SDP provider, for \$50 million net of debt and cash, subject to post closing adjustments. Amdocs expects that the combination of the companies' products to give service providers both telecom and IP components in the networks.)

Growth of the networks depends largely on revenue and expenses. To that end, a SUPERCOMM panel blasted the current fee structure for interconnections and intercarrier compensation as well as the status of the Universal Service Fund. The panel agreed that the current system is in serious need of reform.

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"The USF needs to be fixed," said Melissa Newman, vice president of federal relations for Qwest Communications. "But first they need to understand the problem in order to fix it." The USF tends to support older, more maintenance-intensive communication infrastructures rather than the more efficient, more in demand and less expensive newer systems.

Mike Rhoda, senior vice president of government affairs for Windstream Associates, agreed, saying that the current fee structure promotes older systems, which limits rural customers in getting more advanced communications services.

Interconnection rules are complex, so the government will need to spend time understanding all of the nuances before reforming the system, Newman said.

Anna Maria Kovacs, president of Regulatory Source Associates, said that stimulus funds set aside for broadband development will help bring improved communications services to more people, but the set aside is only a very small percentage of the money that will be needed to vastly expand broadband accessibility.

Thomas Maufer, director of technical marketing for Mu Dynamics and vice-chair of the NGN IMS Forum's BSS/OSS & Security working group said following Plugfest 8 that the success of Diameter, the protocol to deal with authentication, authorization and accounting for each call, depends largely on the adequate testing by carriers.

Carriers need to test networks – not just components - in real environments, where there are multiple interdependent systems communicating via open standards, Maufer said. What the hands on IMS/NGN Forum Plugfests demonstrate is that it's difficult (but not impossible) to make the technology work. The Plugfests prove that for testing an IP Service like IMS, you need to test the network as a service, not as a collection of isolated components. The components definitely behave differently when they are interacting dynamically with other components, compared to when they are being tested in a standalone mode.

News from elsewhere in the Industry:

Consumers opting for wireless broadband will have an additional choice of smartphone beginning Friday as Verizon rolls out the Droid, based on Google Android 2.0 (the Droid is the first to employ this latest version of Android) operating platform. The Droid is expected to offer some options unavailable on the popular iPhone.

"It's amazing how much attention this is getting, Verizon is trying to get as much attention as the iPhone is," said Jeff Kagan, an Atlanta, Ga.-based wireless and telecom analyst. "This is all about the popularity of smartphones, of which iPhone has gotten the most attention. Apple was never in wireless before the iPhone; Google has never been in wireless before [Android]. So many think that if Apple is a wireless success, Google will be a wireless success."

But, Kagan said, Apple already had a retail presence through its sales of computers and iPods. People would line up to buy new devices. Google has never been involved in supporting devices.

"Will that change in behavior have any impact? That remains to be seen," Kagan said.

Verizon hopes to get a boost from sales of the Droid, just like A&T's fortunes have been buoyed by iPhone sales. Qwest, on the other hand, has no such driver of new business, according to Kagan, who cited the lack of such a driver as part of the reason for the carrier's 6 percent decline in profits.

Verizon, AT&T and Qwest are all losing landline subscribers, but while AT&T and Verizon get boosts from wireless and television offerings, Qwest resells those services for other companies, so doesn't get the same benefit, Kagan said.

In announcing its earnings, Qwest said that its fiber to the node (FTTN) was deployed to more than 500,000 additional homes during the quarter. Qwest's FTTN footprint now reaches more than three million homes. This development will provide 100 Gbps speeds across the network when fully

implemented over the next year. These strategic investments provide customers with enhanced functionality and support delivery of future simplified services.

But, Kagan said, while the development will keep Qwest from losing customers as quickly as it might otherwise, it is just enough for the company to keep up with upgrades from cable and other competitors.

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