

Pipeline

Knowledge Is Power

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NewsWatch for December

by Alana Grelyak

Some very intriguing things are brewing in the telecom world this month. It has become apparent that Google is beginning to slip its hands into the wireless market, stirring things up for seasoned carriers. Some well-known companies are also looking into making the world a little greener, while others are focused on giving some hope to the fate of the landline. Here is your NewsWatch for December.

Rumors have spread about Google's interest in the wireless market and it has become rather apparent that there was truth in those rumors. CEO Eric Schmidt has said, "Your mobile phone should be free," with the meaning that it should be paid for by ads. Just days later, Google announced that it was going to be working on a free, open-source operating system for mobile phones, called "Android," that will allow the devices to support said advertising and also run third-party applications. Several of the major companies, such as Motorola, Samsung, and LG Electronics plan to market the phones while major carrier like T-Mobile and Sprint Nextel have signed on to allow these open-source phones to operate on their U.S. wireless networks. Google is sweetening the scent of Android by promising \$10 million in various monetary awards for developers who can create applications to run on the mobile operating system. The advent of an open-source wireless device would stop wireless carriers from controlling what kinds of software works on devices on their networks and allow wireless customers a much greater freedom over where and how they choose to spend their dollars.

In preparation for Google's idea that mobile phones should be free, panelists at Fall VON suggested that more telecoms need to begin selling ads in an effort to move away from charging for voice services or competition from companies like Google and Skype may seriously injure their operations.

Research In Motion has finally found something to sue about. RIM, the company responsible for the popular Blackberry handheld device that was so famously sued for patent infringements, has brought a lawsuit against LG Electronics for trademark violation. RIM claims that LG's popular Chocolate phone series, in particular the Stawberry, Black Cherry, and Black Label phones, is infringing on the Blackberry's trademarked name. Last year, RIM also accused Samsung of the same issue, citing Samsung's BlackJack device. That suit was settled out of court for an undisclosed amount. It seems that the names Berry and Black are no longer available for use by

anyone other than RIM. Grocery stores, beware...

Go Green is a new IP telephony product by Extreme Networks, a provider of voice, video, and data services, and Avaya, a provider of IP Deskphones, that allows IP connected phones to power down during times of disuse. The product is expected to reduce electricity usage in the UK, saving businesses between 50 and 75% on energy bills.

Also in an effort to go green, Verizon Communications is having its Carrollwood central office building outfitted with 140 solar energy panels. The estimated cost of the panels is about \$300,000 and are part of Verizon's all around attempts to utilize alternative sources of energy.

Landlines may still have a future after all, proposes Dan Hesse, CEO of Embarq. Hesse spoke at Fall VON, making the assertion that if companies learn how to make convergence easy and beneficial for customers, landlines can still be useful and, in fact, desirable to come home to. His plan centers around making the PC the epicenter of a home communications network, rendering wireless useful outside of the home and making landlines useful within. This could be good news for various sinking landline companies should they choose to capitalize on Hesse's advice.



Also making landlines more appealing are advances in cordless phones, which are now allowing users to have multiple phones throughout the house with only one required phone jack. Users can also use one handset to call another, making the phones into an intercom system of sorts. The newest ones can also switch between a land line and VoIP calls so high long distance fees become a thing of the past. Can your wireless handset do any of that?

Researchers at the Palo Alto Resource Center have developed a software called Magitti that is turning handhelds into personal concierge services. By taking information from your text messages and past behaviors and matching them to the time of day, Magitti will offer the user a list of recommendations that are tailored to

the individual. It can get as specific as learning what price range the user prefers to dine in and making recommendations based on that and on location. Magitti will be tested in Tokyo in spring of 2008.

Are you being watched right now while you read this? Pretty soon, you might be. AT&T is now offering a Remote Monitor program where business owners of small- and medium-sized businesses can monitor employees via the Internet. Adjustable cameras and door sensors are just some of the options business owners have that would allow them to check in on not only employees but on customers, as well. Users even have the option of controlling room lighting and tracking equipment temperatures. All goings on are recorded on digital video and can be viewed for up to 30 days after the fact.

President Bush has signed a law that has extended a ban on Internet-access taxes being levied by state and local governments for the next seven years. The original law went into place in 1998 but has nothing to do with Internet shopping taxes. The ban will help keep service costs from increasing.

Time Warner has announced that President and COO Jeff Bewkes will be taking over for current CEO Richard Parsons effective as of January 1, 2008. Parsons will continue serving as a board chairman.

ISCO International, a provider of radio-frequency management and interference-control systems, and Clarity Communications have signed a definitive merger agreement. "From my positions as the CEO of Clarity and a Director at ISCO I can see the potential that is unleashed by merging the companies," said Jim Fuentes. "I believe that Clarity's unique product offerings in Push-to-Talk and Location Services will benefit from the multiplication of sales, marketing, and customer support resources that will result by combining these teams."

WeRoam, a leading wholesale aggregator of Public WLAN Roaming, has won Swedish company Devicom as a customer for WeRoam's open WLAN Roaming platform. Devicom will be able to offer international wireless broadband access to more than thirty-five thousand WeRoam WiFi hotspots in over 60 countries.

AT&T's acquisition of Dobson Communications has been approved by the U.S. Department of Justice. Federal anti-trust laws were an issue while AT&T was seeking approval due to fears that once AT&T acquired control of Dobson in states where both companies were already a presence, competition and customers would be hurt. In an effort to ease the approval process, AT&T agreed to sell off its rural assets in Missouri, Oklahoma, Kentucky, Pennsylvania, and Texas. The acquisition of Dobson will cost approximately \$2.8 billion.

Sprint Nextel has reported the loss of 60,000 customers in their third quarter along with a 77% drop in profit. Interim CEO Paul Saleh has commented that "Our focus is on retention." Sprint Nextel has plans to keep the customers they have left while

attracting “the right kind of customers” in the future.

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