

Next Gen Networking in the News

By Jesse Cryderman, Associate Editor

Has 4G Arrived?

Is this the year 4G makes its grand entrance on the world stage? From the looks of press releases and announcements at Mobile World Congress, it would seem so, but the reality is that 4G is still a ways off. And even if you purchase a 4G device from a carrier that advertises 4G service, you are likely to spend as much time cruising at 3G speeds as 4G. How far off? Well, in terms of LTE, recent data from Wireless Intelligence predicts that by 2015 just 4% of the world's mobile connections will be LTE. And that's the standard that the developing world is jumping on.

Carriers Embracing Mixed-Tech 4G Networks

Although a public battle has been waged over which is the superior 4G technology—and whether HSPA+ can

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even be called 4G—some big names in the carrier world have opened to the idea of mixed-tech 4G networks.

In recent announcements, Sprint executives have reiterated their LTE plans and revealed the carrier could deploy an LTE network by the end of 2013. SVP of Network Bob Azzi said, “we’ll be looking at this probably over the next four to six months,” with the intention of LTE as a “complementary service.” CEO Dan Hesse surmises LTE to become dominant technology in the future and also sees a scenario where both standards are part of Sprint’s network resources. Is this just a chess move to get better wholesale revenue sharing prices from Clearwire? It’s hard to tell this early, but the announcement is

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significant, considering Sprint has been such a visible torch-bearer for WiMAX in the United States.

Likewise, AT&T has announced an LTE rollout plan that will combine its existing HSPA+ with the next-gen standard, and has begun marketing it as “the only network with two layers of network technology to deliver 4G speeds.” They’ve also announced the release of 20 LTE devices by the end of 2011, so it looks like their LTE plans are more than just shells to volley at Verizon.

Deutsche Telekom has also signaled that the battle between competing “4G” standards is less important than the user experience. “For us, 4G primarily means a flawless user experience for our customers across various technologies,” says Edward Kozel, Chief Technology and Innovation Officer. “It won’t matter whether this connection is based on WiFi, LTE or HSPA+.”

iPhone, iPad2 still 3G

Tablets are projected to be the pre-eminent data portal of the future, and skyrocketing data usage is the most urgent need facing operators. If 4G is crucial to this equation, it would make sense, then, that the new evolution of the genre-defining iPad would have 4G, but this is not the case. The iPad2 is still CDMA 3G, as is the Verizon iPhone. So even though the handset

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is available on the Verizon network, there is still no 4G service for the iPhone. What does this mean? Perhaps carriers are a little more pragmatic about the move to 4G than they let on.

T-Mobile Loses Subs, Gets Smart

Despite being ranked as the top mobile carrier in the United States by J.D. Power and Associates, T-Mobile reported a record loss of over 300,000 customers. The carrier offset the loss by adding wholesale customers to balance the loss, reporting a 23,000 net loss in subs. The news is slightly misleading, however, because the carrier increased smartphone subscriptions by 1 million during the same time frame.

Does this news mean T-Mobile is slipping? It’s unlikely. While certainly aggressive competition is a player, many of the customers were lost due to revised credit standards, which is shorthand for lower expected ARPU. T-Mobile’s myTouch 4G is a hot device, and coupled with the T-Mobile’s reliable, wide-spread HSPA+ network (that oftentimes beats Sprint’s



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WiMAX in real-world speed tests), the carrier offers the combination of sexy toys and network backbone that will lock-in many high-ARPU customers. T-Mobile also announced it will carry new 3D offerings from LG, impressive devices we saw at Mobile World Congress, so record or not, the loss is probably not going to slow the operator down.

Its churn rate, on the other hand, is of concern. T-Mobile's subscriber attrition has bounced between 2.3 and 2.5 percent, something it must address. But maybe this metric isn't as important today as a slew of hot devices. John Ruf, managing partner at New England Consulting Group, thinks so. Ruf commented on PCMag.com, "Historically churn has been driven by customer service and plans, but now I think it's driven more by all the new phones that are coming out."

Verizon Makes Market Moves

Verizon is in the news this month, as it has recently announced a partnership with Duke Energy to provide the wireless technology for an energy smart grid in Charlotte, North Carolina. This is the second move for the carrier into the energy market, having partnered with eMeter earlier this year. Herein we see the beginning of the much-heralded move to M2M, something analysts have said is a key strategy for the agile carrier of the future.

"The B/OSS industry is abuzz with "smart" back-office offerings that support 4G."

Verizon has also announced it will drop its unlimited data pricing for the iPhone sometime this summer, and will instead adopt a usage-based pricing model. The unlimited model was clearly part of Verizon's strategy to snare iPhone customers from AT&T, who ditched all-you-can-eat data plans. Now that many users have signed contracts, Verizon wants to alleviate congestion and monetize bandwidth more effectively. A bait and switch tactic? Perhaps, but the rub could be ameliorate if real-time billing transparency is part of the charging/billing system, which is as yet unknown.

LTE will Prevail in Developing Countries

As the perceived battle for 4G standard supremacy ratchets up, it looks like LTE is the strong frontrunner ahead of competing WiMAX, at least in the developing world. This comes from a combination of devices—the bullpen for LTE devices is many times larger than WiMAX—and LTE network development plans announced by the major global carriers. Recent commentary by C-level carrier players augments this

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analysis. To wit: Dan Hesse, CEO Sprint, said flat out, "LTE will likely be the larger of the 4G standards."

Consumer Home Networking Gear: Not Ready for IPv6

A recent report in Network World highlighted a very important problem that home users will face as the transition to IPv6 begins this year: most home routers don't support IPv6. This includes all of the very popular Cisco Linksys routers. In an official statement that was part of a forward-looking rollout strategy, Cisco underlined the need for IPv6 compatibility:

"IPv6 is foundational to the next-generation Internet, enabling a range of new services and improved user experiences. As ISPs begin rolling out IPv6 service to their customers, consumers will need new routers and gateways that support IPv6 to participate in this next generation Internet."

Monetizing 4G

As the next-gen network approaches, B/OSS providers are releasing countless solutions to help carriers monetize their high-speed data and voice networks.

From real-time billing and charging, to advanced analytic and predictive software, the industry is abuzz with "smart" back-office offerings.

Convergys, for example, announced its 4G solution just ahead of Mobile World Congress, a next-generation billing and customer care solution. "Whether or when providers see a return on all the smart phone traffic on their networks hinges on a different set of 'smarts' in the back office," says Bob Lento, Convergys President, Information Management.

One thing both operators and B/OSS providers alike can agree on is that mobile data is rapidly outgrowing 3G and continuing to grow at an astounding rate. The most agile carriers must find a way to support customer demands while both providing superior QoE and monetizing data use in new ways to prevent bytes from slipping through the cracks unpaid.

as 4G, then maybe the designation doesn't mean as much as the talking heads.