## Pipeline's NewsWatch

By Jesse Cryderman

During his annual State of the Union address in late January, U.S. President Barack Obama outlined an aggressive plan for the telecom industry: "Within the next five years, we will make it possible for business to deploy the next generation of high-speed wireless coverage to 98% of all Americans...this isn't just about a faster Internet and fewer dropped calls. It's about connecting every part of America to the digital age."

More than just political rhetoric, it's safe to say that many of the technologies that will support this next generation of networking have risen from the pages of press releases to become commercialized solutions that we will see—and feel—this year.

### NFC Chips are Coming

Branded under the monikers swipe pay, proximity

> **"Mobile payment promises to do away with credit and debit cards."**

pay, contactless pay, or tap-to-pay, mobile payment promises to do away with credit and debit cards. Some call the transition to mobile pay the biggest change in payment processing in the last 40 years. The mobile payment landscape is still ripe with business opportunity in most areas of the world, in part because mobile devices equipped with Near Field Commuication (NFC) chips that enable payment have not yet arrived; at least not until this year. Apple's next iPhone and iPad will be equipped with NFC chips, as will the latest Google phone (Nexus S) Samsung Galaxy S, and the latest Nokia handsets, all of which will see releases in the 2011.

Japan and South Korea have enjoyed this technology

for several years.  Now, with the NFC-equipped devices on their way to the U.S., Europe, Canada, and South America, the race to build a trusted and secure payment platform and charging/processing system with widespread appeal is on.

Everything Everywhere, Britain's largest communications company, recently announced it was rolling out mobile payment in conjunction with Barclaycard across the U.K.  Gerry McQuade, Chief Development Officer, outlined the importance of the shift.  "This is the beginning of a revolution in how we pay for things on the high street. It's a cultural shift that is as important as the launch of the personal credit card or ATMs," said McQuade.  "We're making something that's been talked about for many years a reality and very soon, using your mobile to buy a sandwich, a cinema ticket or in time, even something bigger like a computer will simply be the norm."

In the U.S., service providers could have a play, but recent history shows agile risk-takers have been the winners. While the Android platform is wildly popular, Google Checkout, however, has not caught on. Amazon, with its one-click payment and massive data management expertise might be a big player. But if the odds don't change, my bet is on Apple.  Apple has both a standardized, culturally integrated device and a popular trusted payment system via the iTunes

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market (which incidentally just logged its 10 billionth download).

Duncan Stewart, the Director of Research in the areas of Technology, Media and Telecommunications at Deloitte Canada, recently commented on the NFC boom in 680News:

"This will be big in the U.S., it will be big in Canada and it will be big in Europe.  This technology is already being used in other geographies, most notably South Korea and Japan. It actually has been pretty popular for the past four or five years and it's always been a bit of a surprise that it never caught on here. But by the end of this year and certainly by the end of 2012 this will be pervasive."

**IPv6 Rollouts**

Since the news broke that the last IPv4 addresses are being doled out, large-scale transitions to IPv6

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networks are just around the corner. And while many companies have prepared for the transition to IPv6, countless others have not. In response, the European IPv6 task force has been driving transitions across Europe, and AT&T has jumped at the opportunity, creating and marketing a full suite of consulting services to help businesses transition to the new protocol.

IPv6 will open the door for the cascade of smart devices (all of which need unique IP addresses), and subsequently a society comprised of smart grids. But more immediately it will keep the internet running smoothly and open the doorway for truly global broadband.

Daily news reports all over the world have highlighted the growing sense of urgency to get all networks up to IPv6. Internet pioneer Vint Cerf was recently quoted, saying that large-scale configuration and security problems are imminent. "We can stop lobbying, we now have to undertake real activities to implement IPv6," he said to the Australian.

### MVNOs Gaining Traction

Mobile Virtual Network Operator (MVNO) structures are starting to catch on around the world for the carriers who have embraced the promise of converging formerly siloed systems and evolving their networks. Depending on the research, the percentage of telecoms who have transformed their business model to MVNOs is around 17%-20%, but the number is increasing. According to Wireless Intelligence, MVNOs will be more prevalent than traditional mobile operators like AT&T and Vodafone by 2013.

In a recent interview with Pipeline, Humera Malik, Director Global Marketing, Redknee, outlined some of the challenges facing MVNO transformations. She said the slow rate of adoption in the United States, for instance, comes from a misunderstanding of the new business models, which actually offer more options, customization, and real-time control to the consumer. The solution is to "offer greater transparency to subscribers," while creating incentives and greater personalization.

### Cloud Computing

Large-scale utilization of cloud computing services is still on the horizon, but the pace is accelerating, and recent moves by major players Amazon, Google, and IBM, as well as patents filed by Apple show that many top companies are betting the next pot of gold is in the clouds.

HP recently announced it will build a data center in India for its cloud services, (Inquiring minds want to know how regulations for data security differ in India, vs., say, Bahrain or Brazil). Verizon acquired Terremark for $1.4 billion to build its cloud services portfolio, and IBM LotusLive is constantly seeking link partners—most recently holding hands with Ariba and SugarCRM—to further it's suite of cloud services.

Earlier this month Amazon launched a cloud-based bulk email service with very low pricing and Google released a Gmail-native cloud printing solution, becoming part of the myriad cloud services that, among other things, need to be nestled within a standards framework sooner than later. Why? Chief technology buyers around the world still see security and reliability at serious concerns that must be addressed before widespread cloud adoption occurs.

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