

## **This Week's Stories**

### **Google Voice Has More Than 1.4M Users**

November 2, 2009

Google Voice has more than 1.4 million users, and of those, 570,000, or 40 percent, use the service every day, according to a confidential part of a letter Google sent to the FCC, which was disclosed by *BusinessWeek*.

Additionally, according to the letter, Google may expand the service internationally. The figures on the growth and popularity of the service give some greater context to a fierce debate over the service between Google and AT&T. Last week, Google sent a letter to the FCC about Google Voice in response to a series of questions that the FCC had posed to Google about the nature of the service. Several portions of the letter were redacted and marked as confidential. A formatting error led to the accidental publication of the confidential material. The FCC has since replaced Google's response with the version that has the material redacted.

"We had intended to keep sensitive information regarding our partners and the number of Google Voice users confidential," Google said in a statement to *BusinessWeek*. "Unfortunately, the PDF submitted to the FCC was formatted improperly." The confidential portions of the letter also state that Google has inked contracts with a number of "international service providers for inputs to Google Voice," but that the services had not yet been launched.

Until now the extent of Google Voice's popularity wasn't known. The service started in 2005 and remains invitation-only, yet has been the subject of an intense debate in recent weeks. AT&T has argued that the service is improperly blocking calls to rural areas and should be regulated like a traditional telephone service. Google has countered that it blocks calls to fewer than 100 specific phone numbers due to what Google said were high-cost "traffic pumping schemes." Google also said that the service not be regulated like a traditional telephone service because it is a "Web-based software application" that is "completely distinct from the user's telephone access lines/services."

In other Google news, Andy Rubin, director of mobile platforms at Google, quashed a rumor that the company was planning to release its own phone based on its Android platform. In October, *TheStreet.com* reported that Google was planning to release its own branded, unlocked, Android-based phone this year. Rubin said the company was not going to "compete with its customers." "We're not making hardware," Rubin told *CNET* in an interview. "We're enabling other people to build hardware."

<http://www.fiercewireless.com>

### **AT&T Suing Verizon Over 'There's a Map For That' Ads**

November 3, 2009

AT&T sued Verizon Wireless, claiming Verizon's latest campaign targeting AT&T's 3G coverage is misleading. AT&T is seeking a cease and desist order through a federal court in Georgia, and said the ads are causing it to lose "incalculable market share."

Last month, Verizon began widely pushing an ad campaign, "There's a map for that," that was a swipe at Apple's "There's an app for that" spots touting the iPhone, which AT&T Mobility exclusively offers. AT&T claims the ads don't accurately represent AT&T's coverage. The ads show maps of the two companies' 3G wireless coverage, and AT&T claims that the blank spots on the map for AT&T in the ads mislead viewers into thinking that AT&T has no service in those areas.

"By communicating that AT&T customers have no coverage in large parts of the country, Verizon is misleading the public about an essential component of the services AT&T offers," the lawsuit said. AT&T argues in the lawsuit that customers can "fully use their wireless devices outside of a '3G' coverage area and undisputedly have coverage in areas depicted by white or blank spaces on the maps used in Verizon's advertisements."

A Verizon spokesman did not immediately respond to a request for comment.

The "map" ads from Verizon are just a part of the No. 1 carrier's ad blitz. The company in recent weeks launched a related campaign for its Android-based Droid phone from Motorola that stabs directly at the capabilities of Apple's iPhone.

Interestingly, this is not the first time that the nation's top two carriers have tussled over advertisements. In July, Verizon asked a U.S. judge to determine whether its "America's Most Reliable 3G Network" ads are truthful, a claim AT&T said was misleading.

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## Product & Service News

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### Sprint Launches First Netbook

November 2, 2009

Sprint Nextel launched its first netbook, joining Tier 1 rivals AT&T Mobility and Verizon Wireless in the netbook craze. Operators have increasingly turned to devices like ereaders and netbooks as additional sources of mobile data revenue.



[Click here for details on the Dell Inspiron Mini 10 Netbook](#)

Sprint will offer the Dell Inspiron Mini 10 Netbook (a version of which AT&T also offers). The device has an EV-Do Rev. A connection, a 10.1-inch LED screen, a built-in 1.3-megapixel webcam and a 160 GB hard drive.

AT&T kicked off the focus on netbooks earlier this spring, and launched devices in a nationwide rollout earlier this summer. Verizon Wireless launched its first netbook earlier this spring as well, and recently announced the launch of another.

Sprint said the Dell netbook is now available at select Sprint stores in the Minneapolis-St. Paul area, and will cost \$199.99 with a two-year mobile broadband contract and after a \$100 mail-in rebate. Sprint is pushing a mobile broadband plan with the netbook, giving users 5 GB of data for \$59.99 per month.

<http://www.fiercewireless.com>

### LTE Standard For Voice, SMS Approved

November 5, 2009

In a move likely to spur the rollout of Long Term Evolution, a group of carriers, infrastructure suppliers, and device makers has agreed on a standard for the introduction and delivery of voice and SMS services over LTE networks. Called the One Voice initiative, the technical profile standard has defined an optimal set of existing 3GPP-specified functionalities that can serve as a standard for mobile service providers, network vendors and handset makers.

The firms agreeing to the standard include many if not most of the world's leaders in the emerging LTE universe. They are: AT&T, Orange, Telefonica, TeliaSonera, Verizon, Vodafone, Alcatel -Lucent, Ericsson, Nokia Siemens Networks, Nokia, Samsung Electronics Co., Ltd. and Sony Ericsson.

Conspicuous by their absence among U.S. carriers are Sprint Nextel and T-Mobile. Sprint is making its major broadband wireless drive with WiMax and its partnership with Clearwire while T-Mobile, a unit of Deutsche Telekom, has supported an alternate LTE voice approach called Voice over LTE via Generic Access (VoLGA). In a release the One Voice group said its standard would help in guaranteeing international roaming and interoperability for both LTE voice and SMS services for consumers. One Voice added that the approach will smooth the way to service convergence.

"Open collaborative discussions," One Voice said in a release, "have concluded that the IP Multimedia Subsystem (IMS) based solution as defined by 3GPP, is the most applicable approach to meeting the consumers' expectations." The standard will help move existing circuit-switched telephony services to IP-based LTE services.

The One Voice initiative appears to solve the problem of how to deal with voice and packet-based 4G LTE, which hasn't supported existing circuit-switched traffic. The LTE delivery of data is already in the works in the U.S., for instance, as Verizon Wireless is planning to rollout out its LTE network next year with data cards. With the One Voice announcement Wednesday, voice and SMS delivery also appears to be assured.

Verizon Wireless, and its Vodafone partner, are planning to rollout LTE service commercially next year in the U.S. Two trial tests "in Boston and Seattle" are scheduled to get underway later this year.

One Voice said the initial profile solution for voice and SMS services has been completed and is available through all of the firms named above.

<http://www.informationweek.com>

### AT&T Drops Pricing for Mobile TV Service

November 5, 2009

Today, AT&T announced plans to cut the pricing for its white-labeled Mobile TV service by more than 30 percent.

Starting Nov. 8, AT&T's Mobile TV will be available for \$9.99 per month. Its basic package is currently running at \$15 per month, with its Mobile TV Plus package going for \$30 per month. The lower pricing applies to the basic package.

AT&T also launched a new mobile-television-enabled handset, the Samsung Mythic. The Mythic features a 3.3-inch touch screen and one-touch access to AT&T Mobile TV and social networking sites, including Facebook. The Samsung Mythic is available for \$199.99 after mail-in rebate and two-year contract.

In addition to the Mythic, AT&T also launched the Samsung Flight, which is not compatible with its Mobile TV service. The Samsung Flight is available for \$99.99 after mail-in rebate and two-year contract.

The news of AT&T's reduced pricing comes one month after FLO TV, which provides AT&T's mobile television service, announced it would launch services independent of its two carrier partners AT&T and Verizon Wireless. FLO TV also said it would build out its device ecosystem and expand its channel offerings.

FLO TV's handheld personal television device, its first to be offered independently of AT&T and Verizon, goes on sale Nov. 13. The FLO TV Personal Television PTV 350 features a 3.5-inch QVGA touchscreen and is retailing for \$249. FLO TV is offering six months of prepaid service with the purchase of the device for those bought between now and March 31.

<http://www.wirelessweek.com>

## Droid Eris Headlines Verizon's Holiday Handset Blitz

November 5, 2009

Verizon Wireless launched a slew of new phones today including the HTC Droid Eris, the carrier's second phone based on Google's Android platform. Research In Motion's BlackBerry Curve 8530, a new LG Chocolate phone and a rugged push-to-talk handset from Samsung were also on tap.



[Click here for pictures and specs for Verizon's new phones.](#)

However, the Droid Eris is clearly the marquee announcement. When Verizon announced the Motorola Droid, its first Android phone, rumors were already swirling that Verizon would launch the Droid Eris, a phone similar to the HTC Hero, as well. The Droid Eris runs on Android 1.5, and also features HTC's custom Sense user interface. It has a 3.2-inch capacitive touchscreen, a trackball, 5-megapixel camera, 3.5 mm headset jack and expandable memory with pre-installed 8 GB microSD card. Verizon will launch the Droid Eris Nov. 6, the same day as the Droid, for \$99.99 with a two-year contract and after a \$100 mail-in rebate.

An HTC spokeswoman told *FierceWireless* that it's possible that the Droid Eris will be upgraded to Android 2.0 in the future (the Moto Droid runs Android 2.0), but that the company had nothing official to announce right now.

Separately, Verizon launched the BlackBerry Curve 8530, which has a 528 MHz "next generation" processor, GPS, WiFi and a 2-megapixel camera. The Curve will launch Nov. 20 for \$99.99 with a two-year contract and after a \$100 mail-in rebate. The carrier also launched the LG Chocolate Touch, a music-oriented phone with an integrated FM radio, stereo Bluetooth, a dedicated music key and Dolby Mobile features. The phone retails for \$79.99 with a two-year contract and after a \$50 mail-in rebate. Finally, Verizon launched the rugged Samsung Convoy, which features a 2-megapixel camera and Bluetooth 2.1 technology. The phone will go on sale Nov. 15 for \$49.99 with a two year-contract and after a \$50 mail-in rebate.

In other Verizon news, the company confirmed that, beginning Nov.15, it is doubling its early termination fee to \$350 for so-called "advanced devices." The company said that it is doing so because its high-end phones and netbooks are becoming more expensive.

<http://www.fiercewireless.com>

## Corporate Partnerships, M&A

### AT&T Completes \$945 Million Centennial Communications Purchase

November 6, 2009

AT&T Inc., the second-largest U.S. mobile-telephone company, completed its \$945 million purchase of Centennial Communications Corp., expanding network coverage in Puerto Rico and the U.S. Midwest and Southeast.

AT&T, which agreed to pay \$8.50 a share and take on about \$2 billion in debt for Wall, New Jersey-based Centennial, made the announcement in a statement today. Regulators approved the deal with conditions yesterday, the Federal Communications Commission said on its Web site.

AT&T and Verizon Wireless, the biggest U.S. mobile-phone service, are expanding through acquisitions as subscriber growth slows with many in the U.S. already using a wireless device.

Integration costs will result in "minimal dilution" to AT&T per-share earnings and cash flow in 2009, the company said.

The Justice Department approved the deal Oct. 13 and said the combined company must sell assets in Louisiana and Mississippi.

The FCC said its conditions included the divestitures required by the Justice Department, and commitments offered by the companies. These include a pledge by

AT&T to limit contact with America Movil SAB, Latin America's largest mobile phone company and a competitor to AT&T and Centennial in Puerto Rico. AT&T also must honor agreements that other companies struck to complete telephone calls over Centennial's network, the FCC said.

AT&T told FCC staff that the company could provide advanced services to Centennial customers, according to a disclosure filing. FCC Commissioner Michael Copps, a Democrat, said in a statement that "the company's assertion that it will do this lacks solid commitment." Dallas-based AT&T fell 6 cents to \$25.88 at 9:35 a.m. in New York Stock Exchange composite trading. The cash price for the deal is based on 111.16 million Centennial shares outstanding on Oct. 5.

<http://www.bloomberg.com>

## **Industry News**

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### **T-Mobile Loses 77,000 Customers in Third Quarter**

November 5, 2009

T-Mobile USA, a wireless carrier that is owned by Germany's Deutsche Telekom AG, said Thursday that it lost 77,000 subscribers in the third quarter due in part to competition and increasingly innovative cell phone offerings from rivals.

The drop compares with a net gain of 670,000 customers in the year-ago quarter. T-Mobile lost 140,000 customers that had contracts, which are generally more profitable than prepaid customers, and gained 63,000 prepaid customers.

Verizon Wireless, the nation's largest wireless carrier, added 1.1 million net subscribers during the quarter, while AT&T added 2 million. Sprint Nextel Corp. lost 545,000 subscribers during the same period. The company had 33.4 million customers at the end of the quarter, compared with 32.1 million last year. Of these, 26.9 million were contract customers and 6.5 were prepaid phone users.

T-Mobile's overall churn rate, or customer turnover rate, rose to 3.4 percent from 3 percent last year. The company said factors like increased competition and increasingly innovative cell phones led to an increase in churn from contract customers, while prepaid customer churn rose as more wholesale and no-contract FlexPay users departed. Revenue totaled \$5.38 billion, down 2 percent from \$5.51 billion last year.

<http://www.businessweek.com>

### **With Cloud Mania in Full Swing, What is Mobile's Role?**

November 5, 2009

The emergence of cloud-based infrastructure offerings, and the myriad "as a service" intersection points emerging for delivering service-enabled software to business users, provides numerous strategic and tactical benefits for user firms, including IT de-capitalization, easy access to applications, business agility, and scalability. But with SaaS (software as a service)--the most mature and prominent of these IT cloud services are finding that because the compute resources, application logic, and data all live in the cloud, along with other structured data sources (e.g., GPS data), they can serve their customers' need to get mobile access to this data; extend the mobile platform as a driver for enhanced partner growth, new revenue streams, and more service time; and drive an overall better experience for customers. IDC believes that the mobile device clients, cloud-based mobility platforms, and services now emerging from SaaS applications vendors provides a template for what customers will, in a growing number of cases, choose when it comes to building, consuming, and paying for mobility applications.

Recent IDC demand-side research conducted in the U.S. and the U.K. suggests that mobile SaaS based offerings are key future deliverables for organizations seeking to role out solutions to its mobile worker base. Almost 40 percent of organizations plan to deploy a SaaS-based solution in the next 12-18 months. This is in addition to another 19.7 percent that have already done a pilot and plan to roll out a larger deployment in the next 12-18 months. This is in stark contrast to current deployments for mobile SaaS in the enterprise, as today only 9.1 percent of organizations have already embarked on a large-scale deployment of mobile SaaS-based solutions. Of course, this does not mean that all on-premise solutions will be displaced, as many organizations will likely run on-premise solutions for certain applications and on-demand, hosted solutions for others. Furthermore, 15.5 percent of organizations have no plans to roll out any aspect of mobile SaaS-based solutions in the next 12-18 months, with another 8.4 percent that did run a pilot but have no plans to roll out the solution to other employees.

At the same time, many organizations see mobile operators as trusted providers for providing mobile solutions. The largest percentage of respondents from the same survey said that 38 percent selected the mobile operator as their prime supplier for mobile solutions. Although, this is somewhat unexpected as mobile operators have not had the greatest track record for selling mobile software designed to meet the unique requirements of enterprises environments mobile operators are uniquely positioned to offer up mobile SaaS-based solutions.

Beyond operators there are also a number of services-enabled application companies and those that provide key

platform offerings that deliver mobile-SaaS based solutions providing customers not only access to data but to a growing number of new services that may be based on location, availability and other requirements based on a workers' situation. A multitenant, SaaS-delivered mobile platform, for example is designed for access to and consumption of software and application functionality built specifically for network delivery, and which is hosted, provisioned, and accessed by users over the Internet, and as such provides significant architectural advantages over premises-installed packaged software applications.

So when does the mobile SaaS model make sense for business customers? When the vendor business model is already a SaaS-based model the mobile client would naturally be SaaS based. Key advantages of SaaS-based models are the ability to quickly scale up or scale down users and the ability to rely on the vendor for management and timely updates and address multiple mobile OS environments.

The downsides of the SaaS-based model are the potential for a significantly higher total cost of ownership, security and compliance concerns related to having sensitive corporate data stored with a third-party provider, and limitations pertaining to customization and integration with back-end solutions. SaaS-based vendors do address security with federated data, encryption, antimalware and monitoring tools. Regardless, there are certain types of applications and data that enterprises prefer to have on premise, behind the corporate firewall. Such downsides do not make an overarching black-and-white case in favor of one model or the other, but rather validate the case for the existence of both SaaS-based mobile applications in some instances and on premise in others.

There is a tendency to equate mobile SaaS-based offerings with browser-based clients, or with thin mobile clients that do not store data locally and cannot be referenced or updated by the user when wireless service is not available. No direct correlation exists. Antenna's AMP platform, Concur Mobile, and salesforce.com Mobile are all examples of SaaS-based mobile platforms that have native clients that store data locally and allow the user to interact with that data in isolation. In other cases, a hybrid client is the best approach, as is the case with the Cisco WebEx Meeting Center client and LogMeIn Rescue+Mobile.

The promise of cloud computing to deliver additional value to its customers and offer cost savings and viable application development environments also holds true for the mobile environment. As customers evaluate mobile cloud offerings, it's important to consider mobile workers' roles and needs within the organization, mobile platform capabilities and key security requirements to weigh the decision of on-premise vs. SaaS-based solutions.

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