

## **This Week's Stories**

### **Deutsche Telekom CEO Tackles 'Dumb Pipe' Worries**

March 24, 2010

Deutsche Telekom CEO Rene Obermann said operators in both the United States and Europe have the opportunity to avoid being "dumb bit pipes" by providing a higher quality mobile Internet experience for subscribers.

"Customers have not bought into that," Obermann said of the notion that carriers are becoming dumb throughput pipes. Speaking at the keynote session of the CTIA Wireless 2010 conference here, he said customers "expect us to be very fast and responsive in all service-related matters. That's not what a dumb bit pipe does."

Obermann has made the expansion of mobile broadband and smartphones a key action at T-Mobile USA, which has been struggling with sluggish subscriber growth. Deutsche Telekom is considering a potential initial public offering of T-Mobile, but recently said it has not made any final decision about the U.S. unit's fate.

Obermann pointed out some key differences between Europe and the United States in the mobile broadband market. He said U.S. data revenue grew 28 percent last year, year-over-year, while European data revenue grew only 11 percent. He also pointed out that data ARPU in the U.S. is nearly \$15 per month, while in Europe it is less than \$9. Despite the prodigious growth in the U.S. market relative to Europe, he said operators in both countries have the ability to become "smart pipes" by managing traffic more efficiently, and differentiating on the quality of service and the context they provide mobile Internet subscribers.

In addition to trumpeting T-Mobile's HSPA+ network deployment, which it plans to roll out to 185 million POPs by the end of the year, Obermann hailed the FCC's plan to release 500 MHz of spectrum for mobile broadband within the next 10 years. He said this should happen as quickly as possible, but like many of the wireless CEOs here, called for a light regulatory touch from regulators in Washington, D.C.

Ultimately, Obermann said carriers need differentiate on quality of service, service management and price, and that they need to partner with a diverse set of companies in the wireless industry in order to do so.

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## **Product & Service News**

### **AT&T Throws Support Behind Palm, WebOS**

March 22, 2010



Palm's flagship Pre device is headed to AT&T.

AT&T Mobility officially offered its support to beleaguered smartphone maker Palm, and said it will launch the vendor's latest webOS devices in the coming months.

AT&T first declared its support for Palm at the Consumer Electronics Show in January, but it was unclear which devices AT&T would sell. The carrier said today it will launch the Pre Plus and Pixi Plus "in the coming months" for \$149.99 and \$49.99, respectively, with a two-year contract and after a \$100 mail-in rebate. The phones are essentially the same devices that

are available through rival Verizon Wireless. The AT&T versions will support AT&T's new address book feature, allowing users to easily synchronize their contacts.

Sprint Nextel also sells Palm's webOS devices, giving Palm support from three of the four Tier 1 U.S. carriers.

Palm, which has struggled to gain a foothold in the competitive smartphone market, reported weak device sales last week, but said it is confident about its course. The company beat its own diminished revenue expectations for its fiscal third quarter, but its device sell-through suffered. The company shipped a total of 960,000 smartphone units during the quarter, up 23 percent from the second quarter of fiscal year 2010 and an almost 300 percent increase from the year-ago quarter. However, smartphone sell-through for the quarter, which ended Feb. 26, was 408,000 units, down 29 percent from the second quarter and down 15 percent year-over-year.

In other AT&T smartphone news, the carrier said it will soon offer Dell's first Android smartphone for the U.S. market. The device, which previously paraded under the Mini3 moniker, will now be called the Aero. The carrier, which disclosed its partnership with Dell at CES, said that device will feature a custom user interface developed by Dell and AT&T.

AT&T did not provide pricing or release date information for the Aero.

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## AT&T Unveils Nationwide Femtocell Offering

March 24, 2010

After months of testing, AT&T Mobility announced it is taking its femtocell nationwide in April.



AT&T's 3G MicroCell

The device, called the 3G MicroCell, will allow residential customers to route their voice calls and data connections through a home broadband connection and is part of a wider plan to offload more traffic from the company's macro cellular network. The 3G MicroCell was developed with Cisco and will be available for \$149.99. AT&T said that customers will be able to activate the device the same day it is purchased, and that customer support will be provided.

Voice calling minutes used through the MicroCell will affect only the account of the phone making the call--there is no requirement to purchase separate service for the 3G MicroCell. However, AT&T will offer MicroCell customers the option to purchase unlimited calling via the MicroCell for \$19.99 per month. Consumers who select that plan will be eligible to receive a \$100 mail-in-rebate toward the purchase of a 3G MicroCell.

The carrier began femtocell trials in September.

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## Verizon Unveils Free, Exclusive Skype App

March 24, 2010

Verizon Wireless will begin offering free Skype calls and instant messages to nine of its Android and BlackBerry devices beginning Thursday as part of an exclusive deal with the mobile VoIP provider.

Users of the service will be able to place free, unlimited Skype-to-Skype calls and IMs, as well as low-cost calls to international wired lines and cell phones. Using the service will not count against their voice minutes or data plan with Verizon.

"This was something that seemed improbable at best to the industry who wondered why on earth a carrier would

want to partner with Skype," said Skype General Manager Russ Shaw.

John Harrobin, senior vice president of digital media and marketing for Verizon, said that the offering was targeted at Verizon customers who frequently place international calls, such as business subscribers and foreign exchange students.

Harrobin also said Verizon and Skype were working to expand the free service to new platforms and capabilities, such as video.

Verizon is also working to expand the Skype offering beyond BlackBerry and Android devices, but declined to be more specific.

The free Skype app will route calls over Verizon's circuit-switched voice network instead of VoIP, which is traditionally used to handle voice calls. Harrobin says Verizon decided to go with its voice network over VoIP because of quality concerns with calls routed over IP.

"That's what the network was designed for -- voice. Data networks are not designed for voice," he said.

Though Skype is available as an app for several different mobile platforms, the company said the capabilities of its Verizon app will remain exclusive to the carrier. "It will be the best Skype experience out there," Shaw said.

Beginning Thursday, the app will be available through download to nine BlackBerry and Android devices including the Motorola Devour, which will also come out on Thursday.

<http://www.wirelessweek.com>

## Mergers/Acquisitions/Partnerships

### Nokia Acquires Novarra

March 26, 2010

Finnish phone maker Nokia has acquired Novarra, a mobile browser software provider.

Today Nokia said that the addition of the mobile browser software and services company would help it to give its users an improved web experience on what it described as its mainstream mobile phones.

Checking off a number of keywords presumably shoved under his nose by the marketing folks, Niklas Savander, executive vice president at the firm said, "Connecting the next billion consumers to the Internet will happen primarily

on mobile devices, and delivering an optimised internet experience on our devices is core to our mission."

The mobile browser technology will be put onto the Nokia Series 40 mobile system, which resides chiefly on the firm's mid-tier phones. According to Nokia's own figures, Series 40 is the worlds' most widely used mobile software.

The firm expects to feel the Novarra effect by the end of this year and wants to close the deal by the summer.

Along with this new addition, Nokia also plans to add other new features to Series 40 handsets and will continue to invest in the line.

2010 is likely to see the addition of features like QWERTY keyboards and touchscreens, it added.

<http://www.theinquirer.net>

## **Industry Reports**

### **Report: Mobile Data Traffic Patterns Look Similar to Fixed Broadband Patterns**

March 21, 2010

Network policy provider Sandvine on Tuesday will release its semi-annual Internet traffic trends report, which looks at the state of mobile networks and analyzes their mobile broadband traffic trends using a representative cross-section of mobile broadband operators worldwide. The conclusion: Traffic mimics the kind of traffic seen on fixed broadband networks.

"In our Mobile Internet report, we observed that mobile users were running similar applications as on fixed networks, including real-time communications such as IM and Skype," said Sandvine's President and CEO Dave Caputo in a release. "With the emergence of more powerful mobile devices, like the iPad, and the ready availability of laptop dongles, more and more users on the go will be foregoing traditional voice in favor of data-centric, bandwidth-intensive applications."

Tom Donnelly, co-founder and executive vice president of Sandvine, told FierceBroadbandWireless that, in accordance with what AT&T has said about usage trends, that 5 percent of users account for approximately half of the data traffic on average. "Flat-rate billing does not align with subscriber usage," he said.

Donnelly said Facebook is the most widely used application on mobile data networks, with users connecting on average once per hour. "It's not media intensive, but as it becomes more media rich, that can

have a dramatic impact on the traffic patterns of networks," he said. Social networking in all, accounts for up to 9 percent of total bytes on any given mobile network, and YouTube accounts for 10 to 15 percent of total bytes on a given mobile network.

<http://www.fiercebroadbandwireless.com>

### **CTIA: Wireless Data Revenue Keeps Spiking**

March 23, 2010

The push toward smartphones, netbooks and other data-intensive devices continues to be a major theme--and revenue source--of the wireless industry, according to Steve Largent, president and CEO of CTIA. Largent talked about the rise in mobile data revenue as part of the CTIA's semi-annual survey of the wireless industry.

According to the survey, wireless data service revenues jumped 25.7 percent in the last half of 2009, compared with the last half of 2008, to more than \$22 billion. Mobile data revenues--meaning, non-voice revenue--made up 28 percent of U.S. wireless service revenue, up slightly from 25 percent from the CTIA's last survey. There are now more than 257 million data-capable devices on the market, up from 228 million at the end of 2008. A full 50 million of those devices are smartphones or PDAs, and 12 million are wireless-enabled laptops, notebooks or USB modems.

The survey found that, as of December, there were more than 285 million wireless connections in the country, up by 15 million from the year-ago period. Text messaging among U.S. wireless consumers continues to be extremely popular, with more than 822 billion text messages sent and received in last half of 2009--which translated to around 5 billion messages per day at the end of the year. Picture and multimedia messaging is also taking off, and more than 24.2 billion MMS messages were reported for the last half of 2009, up from 9.3 billion for the last half of 2008.

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## **Emerging Technology**

### **AT&T Touts Emerging Devices**

March 24, 2010

AT&T is taking CTIA as an occasion to showcase a number of emerging devices that have recently been clear to run on the carrier's network. Emerging devices include everything from consumer devices with embedded wireless connectivity to machine-to-machine (M2M) solutions.

In all, AT&T has introduced six new devices to its network since the CTIA conference opened yesterday. Here's a look at the devices AT&T has announced at the show so far.

- A multi-purpose computing tablet from AT&T and **OpenPeak**, equipped with AT&T mobile broadband wireless service. Consumers will be able to use the device for social networking, downloading books, navigation, e-mail and instant messaging, along with music, video and photo sharing; it will be available nationwide via multiple retail distribution channels expected later this year.
- The **Zeebo** 3G connected digital gaming, entertainment and education system fosters the development and monetization of local content by preventing piracy through shopping with 3G wireless broadband connectivity and over-the-air delivery.
- AT&T announced an agreement with **American Security Logistics** to wirelessly connect a series of location-based tracking devices that can be used to help keep tabs on an array of valuables - from people to pets to pallets. These include an application to track the location and ongoing movement of cargo shipments, and, in the future, devices for pet tracking, child safety and Alzheimer's patient monitoring.
- The Vizeit photo frame by Isabella Products will get its connectivity through AT&T. The Vizeit is a two-way, fully interactive digital photo frame; it's available now on VizeitMe.com and enables photos to be e-mailed to the frame address and wirelessly delivered within minutes.
- AT&T will provide the nationwide wireless network connection for Vitality GlowCaps, intelligent pill caps designed to help patients take medications regularly and provide peace of mind for loved ones. GlowCaps fit on standard prescription bottles and use light and sound reminders, which can be followed by a phone call or text message, so that people don't miss a dose.
- And finally, AT&T is connecting the much-hyped pet collar. The collar, from Apisphere, has an embedded wireless SIM and leverages Apisphere's geo-mobility platform to transmit location-aware data across AT&T's wireless network. Apisphere allows people to keep track of their pets through GPS tracking.

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