

## **This Week's Stories**

### **Apple Unveils iPhone 4, Adds Video Calling Feature**

June 7, 2010

Apple unveiled the next generation of its popular iPhone, called the iPhone 4, at the company's Worldwide Developers Conference in San Francisco. The new version of the device, which now features a front-facing camera for video calling, HD video capture and several other hardware improvements, is the company's latest effort to keep its momentum going in the mobile market.

Apple CEO Steve Jobs appeared at the event in his customary black turtleneck and jeans to deliver the presentation. Much of the suspense was taken out of this year's annual iPhone unveiling back in April after the tech blog *Gizmodo* published photos and descriptions of a prototype iPhone. "Believe me, you ain't seen this," Jobs said, according to reports.

The new device, which goes on sale June 24 and will come in black and white, will be \$199 for the 16 GB version and \$299 for the 32 GB version with a two-year contract from AT&T Mobility, which is remaining the exclusive carrier of the iPhone for now. AT&T said current iPhone customers who are eligible for an upgrade before the end of this year will be able to get the iPhone 4 for the \$199 and \$299 prices when they sign up for a new two-year contract.

The company is getting rid of the iPhone 3G, and the 3GS is going to be on sale for \$99 beginning June 24. The phone will initially be available in the U.S., France, Germany, the United Kingdom and Japan, Jobs said, though more countries will be added in July, August and September.

The video calling feature, called FaceTime, will work only from one iPhone 4 to another and only over WiFi in 2010. It will not be working on 3G cellular networks. "It's WiFi-only in 2010, we're working with the cellular providers to get things ready," Jobs said, according to reports.

Jobs had to halt his presentation when his iPhone 4 could not connect to the Web. "I'm afraid we have a problem and I'm not going to be able to show you much today," he said. Someone in the audience yelled out, "Try Verizon!" Jobs asked audience members to disconnect from WiFi before he was able to demo some of the Web features of the phone.

The iPhone 4 has a 3.5-inch display and runs on Apple's A4 processor, which also powers the iPad. The device is 25 percent thinner than the iPhone 3GS, and has a glass front and back and a stainless-steel band that functions as the antenna system. The new screen has a 960 x 640 resolution, which quadruples the number of pixels

available on the screen, which Apple calls a "retina display." The display sharpens text, pictures and video, Jobs said. The iPhone 4 also has a larger battery that extends the device's battery life. The phone's camera has been upgraded to a 5-megapixel camera, with 5X digital zoom and can also record HD video at 720p/30fps.

Jobs also said that for \$4.99, customers can download iMovie to the iPhone 4, which allows them to record, edit and post videos directly on the phone. The phone also comes with a gyroscope, which will allow developers to develop games and other apps to take advantage of the new motion controls.

Apple sold 8.75 million iPhones in the quarter, representing a 131 percent increase from the 3.79 million it sold in the year-ago quarter, and slightly higher than the 8.7 million it sold in the last quarter. According to IDC, handset vendors around the globe shipped 54.7 million smartphone units in the quarter, up 56.7 percent from the year-ago quarter, and outpacing growth in the overall handset market, which grew 21.7 percent.

The company is taking advantage of the surge in smartphone sales--the company's global smartphone market share surged upward from 10.9 percent a year ago to 16.1 percent in the first quarter of 2010. Apple still trails behind Nokia and Research In Motion in global smartphone market share.

<http://www.fiercewireless.com>

### **U.S. Cellular's New CEO Ready to Roll**

June 8, 2010

With just one week on the job, the new CEO of U.S. Cellular says she's energized by the organization's associates and ready to continue what John (Jack) Rooney started with the company's Dynamic Organization structure.

Rooney announced in February that he was retiring after 10 years with the company. He spearheaded the company's culture, called Dynamic Organization, which systematically puts the customer first. It was the subject of the book "The Pursuit of Something Better" by Dave Esler and Myra Kruger.

Now the new CEO, Mary Dillon, 49, says she's already receiving email from people in the company in the style that Rooney set up with his "Listen Jack" inbox and she's toying with the idea of setting up a more formal blog or something on that order.

For now, though, she's meeting with associates, call center employees and engineers from around the company to get up to speed on the ins and outs of the wireless operator. Dillon comes to the carrier after most

recently serving as global chief marketing officer and executive vice president for McDonald's Corporation, where she was charged with strengthening the brand throughout 118 countries. (A regional CDMA operator, U.S. Cellular offers international travelers two world phones — the BlackBerry Tour 9630 and the HTC Touch Pro 2.)

Marketing is just one piece of the pie for Dillon's job at U.S. Cellular as it competes against large nationwide brands like Verizon Wireless, AT&T, Sprint and T-Mobile USA. While she declines to make any broad statements about the direction U.S. Cellular will take given she's only been in her position for a week, she's energized by the environment and in learning mode. "I'm a sponge right now," she says.

She's already visited U.S. Cellular's call center in Knoxville, Tenn., and some of the carrier's retail stores in the Chicago area, as well as its network operations center in Schaumburg, Ill.

Leading up to her appointment, she's also met with U.S. Cellular Chairman and TDS President and CEO Ted Carlson; TDS is majority owner of U.S. Cellular and largely owned by the Carlson family. When asked about the industry's consolidation trend, she makes it clear the Carlsons are very much committed to the wireless business for the long haul, and part of her job is to take the business to the next level of profitable growth.

Dillon is scheduled to attend her first CTIA meeting next week, but like most U.S. consumers today, she's no stranger to wireless technology. Her device of choice has been a BlackBerry Curve, although her cadre of devices will expand in coming weeks as U.S. Cellular plans to introduce Android devices this summer.

A Chicago native, Dillon also has completed a marathon and two triathlons, and while time doesn't permit her to train for another event at the moment, she makes time to maintain her personal fitness — and as the mother of four children ranging in age from 20 to 11, it comes in handy, she says, that she doesn't require a whole lot of sleep.

<http://www.wirelessweek.com>

## **AT&T, Verizon Join Google in Net Neutrality Group**

June 9, 2010

Talk about strange bedfellows.

AT&T, Verizon and Comcast have joined forces with Google, Microsoft, Intel and other tech and telecom companies to form an independent technical coalition that will develop voluntary guidelines for handling network data traffic. The coalition, called the Broadband Internet

Technical Advisory Group, is being seen as a way to bypass the overheated rhetoric that has come to dominate the net neutrality debate.

The group, which will be made up of engineers, is being led by Dale Hatfield, the former CTO of the FCC and now an adjunct professor at the University of Colorado at Boulder. The group's formation also comes a week ahead of an FCC meeting on net neutrality. The BITAG said it will work to "develop consensus on broadband network management practices or other technical issues that can affect users' Internet experience, including the impact to and from applications, content and devices that utilize the Internet."

"The TAG will function as a neutral, expert technical forum and promote a greater consensus around technical practices within the Internet community," said Hatfield. "The TAG would consider a number of factors in looking at technical practices, including whether a practice is used by others in the industry; whether alternative technical approaches are available; the impact of a technical practice on other entities; and whether a technical practice is aimed at specific content, applications or companies."

The debate over net neutrality, which had been simmering for months, has taken on new life in recent weeks. Last month FCC Chairman Julius Genachowski pushed ahead with a new legal strategy that would allow the commission to implement net neutrality regulations for wireless and wired networks, following a federal court decision that forced the FCC to re-think its legal basis for broadband regulation. Genachowski's so-called "third way" essentially will reclassify broadband from a Title I information service to a Title II common-carrier service while at the same time forbearing from, or agreeing not to pursue, many of the regulations that are imposed on Title II services such as telephone systems.

The CTIA opposed Genachowski's move, and, along with AT&T and Verizon, argued net neutrality rules are unnecessary. Additionally, the wireless industry has argued that wireless networks are fundamentally different in terms of architecture and usage than wired ones, and should not be subject to the same restrictions.

One of the major points of contention in the net neutrality debate has been how the FCC defines "reasonable network management," which would determine how much leeway carriers have in managing Internet traffic in mobile or fixed settings.

Markham Erickson, the executive director of the Open Internet Coalition, said the announcement of the group is a positive step, but also urged caution. "We strongly feel as with all self-regulatory regimes, this can only be effective with a legal backstop to enforce voluntary industry rules at the FCC," he said in a statement. "Without such a

backstop, this approach will be toothless and ultimately ineffective."

Gigi Sohn, the president of public interest group Public Knowledge, said in a statement she is "cautiously optimistic" about the proposal. "However, we note that we will watch closely as the group develops policies and processes, including figuring out who is eligible to join and the process by which issues are submitted and decided. We note that the group as constituted is currently dominated by the telecommunications industry," she said. "In addition, we emphasize that regardless of the degree of technical expertise of this private-sector group, it is not a substitute for FCC rules and enforcement procedures, and it certainly should not be interpreted as such by anyone."

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## Verizon Banks on Google in Smartphone Race

June 9, 2010

While there were many morsels worth chewing on at Apple's WWDC event this week, one conspicuous in its absence was an iPhone for Verizon Wireless. The nation's largest carrier does not appear at all perturbed though; its smartphone relationship with Google continues to grow.

With a Verizon iPhone out for the immediate future, the carrier is banking on its relationship with Google to help strengthen its smartphone presence against rival AT&T Mobility. According to data from comScore, Verizon's share of the U.S. smartphone market grew to 24.1 percent at the end of March, while AT&T's fell nearly four points to 41.9 percent. Still, AT&T continues to lead Verizon in the proportion of its customers who are buying smartphones.

According to a report in the *Wall Street Journal*, Verizon executives meet with their Apple counterparts once a quarter. Nevertheless, Verizon is counting on Google to be a major partner. According to the *Journal*, Verizon Wireless CEO Lowell McAdam, along with CMO John Stratton and Senior Vice President John Harrobin, often meet with Google CEO Eric Schmidt and Google's chief Android architect, Andy Rubin, as well other Google executives. The two teams hash out the latest Android software and try and match it with appropriate handsets.

Verizon has been busy promoting the HTC Droid Incredible, and McAdam recently said that due to component shortages the carrier is having trouble keeping the phone in stock. Verizon is now the largest U.S. seller of Android phones, according to an analysis by Credit Suisse.

And Verizon's support of Android shows no signs of relenting. The carrier reportedly plans to launch two new Motorola (NYSE:MOT) Android smartphones in July, and

will heavily promote the products. Verizon spent \$100 million promoting the original Motorola Droid. Verizon also is planning to launch an Android tablet later this year to counter Apple's iPad.

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## AT&T Confirms iPad 3G Security Breach

June 10, 2010

AT&T has confirmed that a security breach on the iPad 3G exposed the e-mail addresses and ICC IDs of its customers before the company was able to fix the problem on Tuesday.

A group of computer experts named after an Internet shock website, Goatse Security, is claiming responsibility for the breach, which was first reported by [Gawker.com](http://www.gawker.com).

"AT&T was informed by a business customer on Monday of the potential exposure of their iPad ICC IDs," AT&T said in a prepared statement. "This issue was escalated to the highest levels of the company and was corrected by Tuesday; and we have essentially turned off the feature that provided the e-mail addresses."

AT&T said it was not contacted by the "person or group" who discovered the security breach.

More than 100,000 iPad customers are believed to be affected by the breach. Gawker claims the e-mail addresses of employees at Goldman Sachs, JP Morgan, NASA, Homeland Security and the FCC were among those comprised by the breach.

AT&T says the only information that can be derived from the exposed ICC IDs is the e-mail address attached to that device and says it will inform all customers whose e-mail addresses and ICC IDs may have been obtained.

The integrated circuit card identification provides the serial number for the iPad's SIM card to authenticate users on AT&T's network. AT&T did not respond to whether the security breach could expose additional personal information stored on the iPad SIM card.

Apple did not respond to requests for comment by press time. It is not clear what responsibility, if any, Apple shares for the security problem on the iPad.

AT&T chief security officer Ed Amoroso told *The Wall Street Journal* that the security breach stemmed from an effort to make it easier for iPad subscribers to renew their prepaid wireless service.

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## **Product & Service News**

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### **Samsung Confirms Tablet for Later This Year**

June 7, 2010

Samsung confirmed it will release a tablet product in the second half of this year, days after pictures of the purported device popped up on the Web.

"While Samsung is aiming to bring a device to market in the second half of this year, we have not yet confirmed the markets for launch or detailed product specifications," the company said in a statement to *InformationWeek*. Pictures of the device, dubbed the "GalaxyTab," began floating around last week after the Twitter account of Samsung's South African blog inadvertently posted images of the gadget and a brief snippet of information about its specifications. The information was subsequently removed.

Though details on the device are few and far between, it is reported to have a 7-inch display and run Google's Android platform.

Apple's breakaway success with the iPad tablet--the company has sold more than 2 million units so far--has set off a frenzy among computer makers and handset vendors alike to get into the tablet game. Verizon Wireless plans to launch an Android tablet, and Verizon Wireless CEO Lowell McAdam has said that LG, Motorola and Samsung are in the running to build tablets for the carrier.

Still, some sounded cautious tones about the new market opportunity. "It's an interesting market," Tudor Brown, the president of ARM Holdings, told the *Financial Times*. "What we have to be very careful of is projecting just how big that particular part of the market is going to be, because it's very early days since any of these tablets have been on the market.

<http://www.fiercewireless.com>

### **Apple's iPhone on T-Mobile?**

June 10, 2010

The iPhone will be available on other cell phone networks as early as this fall and will likely come first to T-Mobile USA, one analyst who follows Apple closely said today.

In a note to investors, Shaw Wu, of Kaufman Bros., said his checks with Apple suppliers and others suggest AT&T will lose its exclusive place as the iPhone carrier no later than the first half of next year.

One reason T-Mobile is a likely candidate is because the company's wireless technology is similar to AT&T's. Sprint and Verizon Wireless use CDMA, so converting the iPhone to run on their networks would presumably involve more technical hurdles.

Wu said T-Mobile also sees the iPhone as key to winning back lost customers, meaning the company will be more likely to settle for Apple's terms.

In any case, Wu said, Apple needs to sign up another U.S. carrier to keep up the pace of iPhone sales and counter the rising competition of phones that run on Google's Android software.

<http://www.wirelessweek.com>

### **Motorola iPhone 4 Killer in the Works**

June 10, 2010

Motorola is looking to trump the **iPhone 4** by raising the performance bar for high-end Android smartphones, according to a report.

**Conceivably Tech**, a technology blog, cited general comments about the future phone from Sanjay Jha, the CEO of Motorola's Mobile Devices Division, who was speaking at the Executives Club of Chicago Wednesday.

The report went on to say that another Motorola executive, "who asked to remain anonymous," said that the phone would include "everything that is technologically possible in a smartphone today" and will be based on Android, like the current Motorola Droid. Unlike the Droid, it will pack an Nvidia processor and integrate a gyroscope--like the iPhone 4.

The Nvidia chip will support full **Flash 10.1 hardware** acceleration, a feature the iPhone notoriously lacks.

In January, Nvidia **announced its Tegra 250 processor** which is a cutting-edge dual-core **ARM Cortex-A9** processor running at speeds of up to 1.0 GHz--and one of the first dual-core ARM **Cortex-A9** processors. It is not clear if the future Motorola phone would use this chip or a future Nvidia Tegra processor.

<http://news.cnet.com>

## Industry News

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### Smartphones Offer New Frontier for Identity Theft

June 10, 2010

As more people switch from traditional cell phones to smart phones, worries have increased that users will fall prey to the same virus and malware problems that can plague personal computers.

In fact, industry experts say they're managing to keep ahead of that threat.

What they are more worried about is a simpler issue: identity theft when a phone is lost or stolen.

With the iPhone and other smart phones, a few taps or clicks can access e-mail accounts, check bank balances, update a Facebook profile and call up calendars and photos.

"What's really going on today is fraudsters and cybercriminals are looking to steal data," said Peter Beardmore, director of product marketing at security company Kaspersky Lab. "A mobile phone is not a good candidate for a botnet like you have in the PC world, where it can enslave your computer and let it do work to send spam or whatever. But (a mobile phone) is a great candidate to steal user data from."

In one of the most recent high-profile cases of a lost smart phone, a young Apple employee left a prototype of the next-generation iPhone on a Redwood City, Calif., barstool in March. The company remotely wiped the phone by the next morning, but not before the patron who found the abandoned device identified its owner by looking at his Facebook page, which was on the phone's display.

Although concerns about mobile malware and viruses have circulated in industry circles for years, there have been few reports of real threats to consumers.

That's in part because infection is a numbers game, meaning perpetrators go after devices in mass quantities, and there are far more PCs in circulation than smart phones.

Wireless carriers in the U.S. also catch some threats, such as spam text messages, before they reach consumers.

"What we've been able to do is learn a lot from the PC experience, and we have put some different technical programs into place that have done a very good job of blocking viruses and spam messages," said John Walls, vice president of public affairs at industry group CTIA-The Wireless Association.

Because viruses and malware remain a distant threat to mobile phones, security companies are concentrating their efforts on preventing old-fashioned loss and theft.

"Your average consumer's main concern about their mobile phone is about losing it or having it stolen," said Dave Cole, senior director of product management at Symantec Corp.

This month, as part of an effort to broaden its Norton line beyond PC security, Symantec is launching an application for Google's Android operating system that allows users to remotely lock down or wipe their phone by texting a code to the device.

Symantec's product is not the first of its kind to hit the market. But consumer awareness of mobile security issues is still relatively low, given that threats have been rare and smart phones are just beginning to take off outside of the BlackBerry-toting business world.

According to research firm Gartner, worldwide smart phone sales hit 54.3 million units in the first quarter of the year, up 48.7 percent from the same period in 2009. These devices represented 17.3 percent of mobile handset sales in the first quarter, compared with 13.6 percent in the year-earlier period.

More users could protect themselves by setting a PIN for their device, a simple safeguard that many people neglect, said Randy Gross, chief information officer at the Computing Technology Industry Association. He also advises backing up a phone's data.

The popularity of third-party applications, such as those available for the iPhone or Android devices, provides another potential avenue for cybercriminals to attack smart phones. So far, carriers, device manufacturers and other industry players have done an effective job of vetting applications from outside developers, Beardmore said. But he and other security experts advise that consumers stick with programs from trusted publishers.

One of the biggest challenges for the wireless industry is consumer education.

"Maybe because of (the phone's) 24-hour presence, we do take (it) for granted and don't think about the sophistication or the complexity ... of that device," Walls said.

"This thing is living and breathing and working all the time," he added. "If a carrier is telling you that there's a certain update or upgrade you can easily access to make yourself a little bit safer, take advantage of that."

#### KEEPING SMART PHONES SAFE:

\* Take advantage of your phone's built-in security features, such as setting a PIN or password to unlock the device.

For the Week Ending June 11, 2010

- \* Pay attention to system updates from your wireless carrier and be sure to install required upgrades.
- \* Back up data such as contacts and documents and sync regularly to keep the information current.
- \* Don't click on links in text messages from unfamiliar senders.
- \* Stick with trusted sources and well-known brand names when downloading third-party applications.

<http://www.mobile-tech-today.com>



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