

This Week's Stories

Boingo Files for \$75M IPO

January 17, 2011

Wi-Fi hot spot company Boingo Wireless is planning to go public, according to documents filed Friday with the SEC.

The company said in a statement that the number of shares to be offered and the price range for the offering have not been determined, but documents filed with the SEC indicate the company expects to raise about \$75 million from its initial public offering.

Boingo intends to list its stock on the NASDAQ Global Market under the symbol "WIFI." The company's IPO won't proceed until its registration statement with the SEC becomes effective.

During the first nine months of last year, Boingo posted sales of \$59 million, a 29 percent increase over the same period in 2009, and swung to a profit of \$1.5 million.

The company operates a commercial Wi-Fi network consisting of over 211,000 Wi-Fi hot spots in more than 100 countries at venues like airports, hotels, coffee shops and shopping malls. The company's revenue stems largely from individual subscriptions and services provided to telecommunications companies, including Verizon.

<http://www.wirelessweek.com>

Verizon Sues F.C.C. to Overturn Order on Blocking Websites

January 20, 2011

Less than a month after the Federal Communications Commission adopted an order aimed at keeping Internet service providers from blocking access to certain Web content or applications, Verizon asked a federal appeals court on Thursday to overturn the new rule.

Verizon is arguing that the F.C.C. exceeded its authority, and violated the company's constitutional rights. Verizon filed its suit in the United States Court of Appeals for the District of Columbia Circuit, the same court that in April ruled that the F.C.C. had overstepped itself when it sanctioned Comcast in 2008 for blocking users of its broadband Internet service from BitTorrent, a file-sharing application.

The challenge, which was widely expected to come from at least one of the big Internet service providers, sets up what is likely to be a lengthy legal battle over

the rights of broadband companies to run their networks without government interference.

"We are deeply concerned by the F.C.C.'s assertion of broad authority for sweeping new regulation of broadband networks and the Internet itself," Michael E. Glover, a senior vice president and deputy general counsel for Verizon, said in a statement.

"We believe this assertion of authority goes well beyond any authority provided by Congress, and creates uncertainty for the communications industry, innovators, investors and consumers," Mr. Glover added.

The F.C.C. declined to comment on the appeal. But a senior commission official, who spoke on condition of anonymity, said the agency was confident its order was legally sound and said the commission would most likely challenge Verizon's appeal on grounds that the lawsuit itself violated F.C.C. rules. Those require that once a new order is published in the Federal Register, which in this case has not yet occurred, any challenge filed within 10 days is entered into a lottery to determine the legal venue.

Consumer groups attacked Verizon's suit, saying it constituted venue-shopping because it relied on a legal theory that the F.C.C.'s order modified the company's licenses for wireless phone spectrum. License modifications, as opposed to general F.C.C. rules, are required to be decided in the District of Columbia circuit. Verizon also asked the appeals court for the same panel of judges who decided the Comcast case.

Aparna Sridhar, policy counsel for Free Press, a group that thought the F.C.C. order did not go far enough, said Verizon's decision "demonstrates that even the most weak and watered-down rules aren't enough to appease giant phone companies."

<http://www.nytimes.com>

T-Mobile CEO Humm unveils turnaround plan, says 10% of churn caused by iPhone

January 20, 2011

During the company's annual investor day conference in New York, T-Mobile USA CEO Philipp Humm unveiled a comprehensive turnaround plan he said will revitalize the company. The strategy includes reducing churn, growing revenues, pursuing new markets such as the enterprise market and considering strategic alternatives such as network sharing, partnerships and even spectrum leasing.

Interestingly, Humm said 10 percent of T-Mobile's churn is due to customers migrating to the iPhone. He said the company will combat the leakage by launching more Android-based devices. According to *PCMag.com*, T-Mobile will offer 4G HSPA+ versions the Sidekick and the Samsung Galaxy S. As for the iPhone, Humm said according to *PCMag.com* that T-Mobile's 1700Mhz 3G spectrum is the major barrier to it obtaining the iPhone. The iPhone currently does not support T-Mobile's 3G spectrum bands, only those of AT&T Mobility.

Humm added that the company plans to launch competitive iPad tablet offerings in March and April.

In one of his first public appearances as T-Mobile's new CEO, Humm admitted that T-Mobile's growth stalled starting in 2008 primarily because the company was late migrating to 3G. He added that the firm also had a poor branding strategy and distribution problems. Humm said he believes T-Mobile is well positioned to overcome those issues and is already closing the gap on the competition by taking advantage of its core assets. Specifically, Humm touted T-Mobile's quick deployment of HSPA+ 21, which covers 200 million POPs today, and its plans to upgrade to HSPA+ 42 this year. He also said that 50 percent of the firm's device sales today are smartphones, which indicates continued growth in data revenues. Approximately 39 percent of T-Mobile's existing customer base uses smartphones, he said.

Humm said the company will unveil 25 4G devices this year. T-Mobile has branded its HSPA+ network as 4G. Interestingly, AT&T has said it will debut 20 4G devices this year (AT&T brands its HSPA+ network and its forthcoming LTE network as 4G). T-Mobile hopes to continue to attract customers by positioning itself as the value leader, offering as many smartphones as possible under the \$100 price point and providing an entry-level data package priced at \$10 per month, Humm said.

Regarding T-Mobile's need to grow revenues, Humm said the company plans to drive \$1 billion in savings by reducing customer care, migrating to a self-service and IVR system, simplifying rate plans and deploying an all IP network that includes building 1,000 more cell sites to reduce the company's roaming fees.

The company also will explore new MVNO relationships as well as rebuild its business-to-business sales program, which has atrophied during the past few years due to T-Mobile's focus on the consumer market.

Deutsche Telekom CEO Rene Obermann also spoke briefly about the parent company's commitment to T-Mobile USA. He said the firm is convinced that T-

Mobile is a good asset, but noted DT is not opposed to exploring options such as forming partnerships with other firms, embarking on network-sharing arrangements or even selling non-core assets such as T-Mobile's tower portfolio. He said DT's goal is to make T-Mobile USA a self-funded entity.

<http://www.fiercewireless.com>

Product & Service News

Sprint Nextel Expands \$10 Data Charge to all Smart Phones, Some Feature Phones

January 18, 2011

Sprint Nextel Corp. (S) said it will begin charging a \$10 per month premium for all smart phone devices and a select line of feature phones activated on its network beginning Jan. 30. The additional charge will apply to all devices running Research In Motion Ltd.'s BlackBerry OS, Google Inc.'s Android OS, Microsoft Corp.'s Windows Mobile, Palm Inc.'s operating systems as well as the Samsung Electronics Co. Ltd. Instinct devices.

The carrier said the charge will help offset costs involved with bolstering its network to meet the growing demand for mobile data services. Sprint Nextel noted that on average its smart phone customers use 10 times more data than its feature phone customers.

The carrier said that existing smart phone customers would not be impacted by the charge unless they upgraded to or activate another smart phone.

Sprint Nextel had previously charged a \$10 premium for smart phones that were able to access its "4G" WiMAX service even if customers did not live in an area – or ever travel to an area – that was covered with the Clearwire Corp. supplied WiMAX network. The \$10 surcharge for WiMAX-enabled devices has been a source of contention between Sprint Nextel and Clearwire with both companies currently negotiating how much of a cut Clearwire should get of that premium.

"Sprint wants its customers to experience the range of entertainment and productivity possibilities available with today's wireless technology," said Bob Johnson, president of Sprint Nextel's consumer business, in a statement. "While some of our competitors impose overage charges and complex plans, Sprint continues to provide a worry-free, unlimited data experience while on the Sprint network. This is responsible, sustainable and reflects our commitment to simplicity and value."

Sprint Nextel will continue to offer only unlimited data services to its customers. Some of its competitors have moved in the other direction by providing a lower-priced tier of data service or by capping their former unlimited offerings. Sprint Nextel executives have said they were looking at offering tiered data pricing models, but so far have not made a move to implement such plans.

The carrier recently announced a multi-billion dollar plan to upgrade its current network operations that are expected to bolster network efficiency and coverage.

<http://www.rcrwireless.com>

TurboTax Unveils Smartphone Tax-Filing App

January 21, 2011

You can make a restaurant reservation, check your bank balance, and shop online with your smartphone, and now you may be able to do your taxes, too.

[Friday], Intuit's TurboTax will release SnapTax, a new mobile application that allows taxpayers who file a 1040EZ to prepare and file their federal and state income taxes on their smartphones. Customers can download the app for free, but will have to pay \$14.99 to file their tax returns.

The app uses optical character recognition technology to fill out users' tax returns. Once users take a picture of their W-2s with their smartphones, the app will automatically transfer information to the relevant lines on Form 1040EZ. After customers answer a few questions, they'll have an opportunity to check the return for accuracy before they file.

Like traditional tax preparation software, the app will display the amount of the refund. The process should take 15 to 30 minutes, says Bob Meighan, vice president of TurboTax.

More than 22 million Americans are eligible to file a 1040EZ, an abbreviated tax form available to taxpayers who claim the standard deduction, have no dependents, and earn less than \$100,000. Taxpayers who file the 1040EZ are "really the young and mobile crowd," and many of them have never used tax software, Meighan says.

TurboTax tested the app last year in California, where it was limited to state tax returns. About 2,000 state residents downloaded the app, says TurboTax spokeswoman Colleen Gatlin.

Mary Canning, dean of the School of Taxation at Golden Gate University in San Francisco, showed a

video about the app to her staff, who are in their 30s or younger, and asked them if they would use it. "They absolutely said they would," she says. "Every single one of them."

TurboTax's app provides the same security and privacy features found in TurboTax's tax preparation software, Gatlin says.

Still, individuals who want to use their phones to do their taxes need to take extra steps to protect themselves, says John Hering, founder of Lookout Mobile Security, a company that provides security products for mobile phones. The increased use of mobile devices to perform financial tasks has made them more attractive to cybercriminals, he says.

Criminals have already attempted to hijack information from online banking customers by creating apps that resembled those offered by major banks, he notes. Smartphone users should only download apps from Apple and Android stores, he says, and verify the identity of the developer.

People who use their mobile devices to conduct financial transactions should also take extra steps to protect their phones, Hering says, such as making sure phone data are password protected.

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

Consumer Reports Wary Of 'Middle-Aged' Verizon iPhone

January 17, 2011

The long-anticipated Verizon iPhone 4 unveiled in New York last week has two important changes from the one launched by Apple last summer: An antenna configuration likely to avoid reception problems that plagued the AT&T handset, and the ability to tether other devices as a Wi-Fi hot spot.

Other than that, at nearly seven months old, the iPhone 4 is over the hill, says the Consumer Reports Electronics Blog, and "may be quickly replaced by a newer, cooler version more quickly than is customary even for the die-young life expectancy of most smartphones."

Apple has released a new iPhone every summer since 2007. To help clear older inventory, Apple and AT&T sometimes drop the price of older models, as they did last week, cutting the iPhone 3GS price by half to a just \$49. But the iPhone 4, already a top seller, is expected to get another huge spike in sales with its release on a network with a high customer satisfaction rating.

While noting that Verizon "remains among the most satisfying (among the major providers that offer contract service)" compared to AT&T, which Consumer Reports readers rated lowest, the magazine noted that the current iPhone is a 3G model in an increasingly 4G world, unable to navigate Verizon's much-touted Long Term Evolution network that is about to open to a limited number of smartphones.

It also packs a puny 3.5-inch screen as a large share of smartphones are offering displays larger than four inches. CDMA phones, Consumer Reports noted, also can't surf and call at the same time and don't roam in foreign countries as well as a GSM device.

It's the second slap against the iPhone by Consumer Reports, operated by the nonprofit Consumers Union of the United States, with more than seven million subscribers. Last summer, after testers experienced the reception problems that came to be known as Antennagate, it told readers "If you want an iPhone that works well without a masking-tape fix, we continue to recommend an older model, the 3GS."

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

Emerging Technology

Canadian firm plans 78-satellite Net service

January 19, 2011

A Canadian satellite maker plans to launch a network of 78 small, relatively low-flying satellites designed to help relieve network congestion that's significantly dampening smartphone enthusiasm.

MSCI, which stands for Microsat Systems Canada Inc., is trying to be a bit of a maverick with its project, called CommStellation. The company said today that its approach of using small, inexpensive satellites in low orbit--about 620 miles above the Earth--means better coverage of the world's population, quicker launch, and better network capacity.

The company likes to spotlight its competition with the O3b, the Google-backed satellite project to improve Net access for the 3 billion people who live outside of wealthy, well-wired areas. But realistically, MSCI's greater competition probably is more down to Earth--fiber optic lines and perhaps femtocells built to ease network congestion.

Still, MSCI argues that its use of rugged but relatively ordinary terrestrial electronics means it can move fast enough to make entry into new satellite communications markets a "no-brainer."

"Until now, no one in the industry has been able to find the manufacturing cost and scheduling efficiencies and cost-effective microsatellite technology to enable an economically viable constellation of satellites to provide 100 percent global coverage," Justin Phillips, MSCI's vice president of marketing, said in a statement.

Specifically, the company is able to use more ordinary electronics with its lower-elevation satellites. Medium orbit satellites--about 5,000 miles above Earth--such as rival O3b need components with higher reliability in order to withstand the temperature and radiation rigors of space. MSCI's satellites are also relatively small, meaning that 14 can be packed into a single launch rocket compared with O3b's 4 satellites. And much less power is required to transmit data to and from the MSCI's satellites since they're closer to Earth.

MSCI plans to launch satellites starting in 2014 and reach full network capability in 2015.

This isn't the sort of thing that a person's phone will tie into directly. Rather, mobile phone base stations or other local network hubs will link to the satellites. The satellites in turn link to a network of 20 ground stations around Earth that link to the Internet, providing what's known as "back-haul" network capacity.

Back-haul constraints are a big problem today for network operators trying to balance consumers' demand for profitable but data-hogging smartphones with their own needs to keep their networks from being crushed by the data traffic.

Each MSCI satellite has a data-transfer capacity of 12 gigabits per second. The expected lifespan of each is 10 years, and they can be sent back into the atmosphere at the end of their lives to avoid more orbital clutter.

MSCI plans to launch 84 satellites into six orbital planes, each 30 degrees apart. Each orbital plane gets 13 primary satellites and one spare.

Each satellite will provide coverage to a circular area of about 7 million square miles, MSCI said. Because the satellites travel in a polar orbit, meaning that they orbit along a line of longitude crossing over the north and south poles, coverage improves in the higher latitude where the orbits draw closer.

The company hasn't yet selected a launch partner or announced investors or customers.

<http://news.cnet.com>

Internet Protocol point. Stoke's equipment is capable of redirecting both data and services.

<http://www.wirelessweek.com>

Industry Reports

Stoke Gets \$17M, Cites New 'Top Tier' Customers

January 18, 2011

Mobile broadband gateway provider Stoke says it has raised \$17 million in Series E funding, bringing the company's total financing to date to about \$92 million.

Stoke needs the funding to hire new people and ramp up manufacturing amid increased demand for its wireless infrastructure equipment, which is currently being used by Japanese operator NTT DoCoMo for its femtocell service and LTE network.

The financing round included participation from existing investors and was led by new investor Focus Ventures, which was a major investor in mobile infrastructure company Starent Networks. Starent was acquired by Cisco for \$2.9 billion in 2009.

Dan McBride, Stoke's director of product solutions and marketing, says the company plans to nearly double its workforce by the end of this year as its mobile broadband gateways gain traction with operators.

"What Stoke brings to the table is a fresh perspective, and it's playing out quite a bit with the operators we're engaged with," McBride says. "We've seized on an idea that the legacy thinking of incumbents is keeping them from thinking outside the box."

The company said in a statement that it has new LTE and 3G network optimization projects with unnamed "top tier carriers in Europe, Asia and the U.S." McBride said the company may announce new customer wins at Mobile World Congress in February, or in the first half of this year.

The company said it closed 2010 with sales more than four times greater than 2009, and expects triple digit growth again in 2011, but has not disclosed specific financial results.

Stoke shipped its two-hundredth SSX-3000 hallmark mobile broadband gateway in December, doubling the number of the gateways sold since August, when the company shipped its hundredth SSX-3000.

The mobile broadband gateway sits between a carrier's radio access network and its core network, where it offloads mobile data traffic to the nearest

Business Users to Boost Tablet Sales This Year

January 19, 2011

According to a new study from Deloitte Development Inc., medium-size and large businesses are expected to account for about 27 percent of all tablet computer sales in 2011 and will probably drive an even greater percentage of the market segment going forward.

Many wireless industry analysts are predicting that tablets are on their way to become a major factor in the enterprise segment. At the Consumer Electronics Show two weeks ago, virtually every major device maker and technology company was showcasing tablets in some form or another.

"Although some observers view tablet computers as underpowered media-consumption devices suitable only for consumers, this year we expect that about 27 percent of all tablet computers will be bought by large businesses and that number is most likely to rise next year and well into 2015," Deloitte said in its annual sector forecast.

The market for the new device category is definitely on the rise. For its part, IDC estimates that about 17 million tablets were sold in 2010 and the market research firm predicts that number to grow to over 44.5 million tablets by the end of this year.

Gartner puts 2010's number at 19.5 million units and is projecting tablet sales up to 55 million for this year.

Gartner added that health care and retail verticals could comprise more than 5 million tablet sales this year alone. Deloitte expects 2011 to be the first year that sales of personal computers represent less than half of the total computing device market.

Overall, smartphones and tablets will be driving about 57 percent of all computing device sales for 2011.

At CES two weeks ago, Verizon and Cisco jointly announced plans for a 3G and 4G tablet offering aimed specifically at business users, with heightened security permissions and stricter policies as well as Cisco collaboration applications designed to work in the mobile segment.

Verizon said it would be the first wireless provider to carry an LTE version of the Cisco Cius, a business

tablet set to go on sale in mid-April. The two companies didn't offer prices for the product as of yet, however.

"The tablet device is all about extending the business communications experience to the mobile user on a purpose-built communications unit," said Chris Kemmerer, director of Unified Communications & Collaboration at Verizon Wireless.

The Cius features a 7-inch diagonal display screen and uses Google's Android operating system with Cisco's additional security executive VPN service, enabling a truly secure connection between the mobile device and the enterprise.

The tablet also is designed to extend Cisco's unified business communications unit and collaboration product portfolio, including TelePresence, the popular WebEx business application and the Unified Communications Manager to the mobile workforce.

The new tablet will be sold through Cisco resellers, while Verizon Wireless and its Verizon Business Unit will sell accompanying service plans to the mobile community.

And because the Cisco-Verizon tablet is targeted at businesses, IT departments can easily control security on the tablet, enabling employees and even corporate executives access to some applications but not others.

Additionally, the two companies also announced that Verizon's 4G module will be included on Cisco's second-generation Integrated Services Router (the ISR G2), which targets small and medium-sized business customers. Adding 4G services to the router will enable business users to not only use the wireless broadband service as a backup to other broadband services but as a primary connection as well.

When the Cius launches, it will come with embedded Wi-Fi functionality and have to use Verizon Wireless' MiFi modem to gain 4G connectivity, Kemmerer said. The duo expect the tablet to come embedded with the LTE protocol in midsummer, said Mark Lohmeyer, vice president of product management and service routing technology at Cisco.

<http://www.wirelessindustrynews.org>



120 Madison St. 15th Floor
Syracuse, New York 13202
(315) 470-1350
1-888-8KSRINC