

This Week's Stories

Microsoft Replaces the Current Head of its Windows Phone Division

December 13, 2011

Microsoft said today that it is moving the current head of its Windows Phone business, Andy Lees, to a new role. Terry Myerson, the corporate vice president who has led engineering efforts for the phone unit, will add business development, marketing and other responsibilities.

He will not get the division president title that Lees had since joining Microsoft. Lees, who has headed Windows Phone for more than three years, will still report to CEO Steve Ballmer and focus on ways that Microsoft can work across multiple types of devices from phones, to tablets, to PCs. And although Lees will retain the title of president, it isn't clear for now just who will report to him in the new role. "I have asked Andy Lees to move to a new role working for me on a time-critical opportunity focused on driving maximum impact in next year with Windows Phone and Windows 8," Ballmer said in an internal memo.

"We have tremendous potential with Windows Phone and Windows 8, and this move sets us up to really deliver against that potential," the memo added.

Ballmer was quick to point out at the company's analyst meeting in September that Windows Phone sales haven't been what the company had hoped. Despite positive reviews, Microsoft has yet to gain significant market share with Windows Phone, be it Windows 7 or even Windows 8 for that matter.

But as one might expect in a corporate memo, Ballmer had praise for Lees' efforts. And he should, since on average, word has it on the Microsoft campus that Lees was and still is well respected among his peers.

"In the three years Andy has been leading the phone group, we've come a long way," Ballmer said. "We reset our strategy, built a strong team that delivered (Windows Phone 7) and (the Mango update) and created critical new partnerships and a better ecosystem around Windows Phone."

"That is a lot of progress in a brief period of time, and I'm excited for Terry and his team to keep driving forward and for Andy to dig into a new challenge," said Ballmer.

Many wireless industry observers are saying that 2012 is shaping up to be critical for Microsoft's phone effort, particularly now that key partner Nokia is releasing its first Windows Phone devices.

And it's no secret anymore that Microsoft appears to be getting more revenue these days from patent license royalties on Android phones than it does selling its own phone software. As for Myerson, he's a past head of the Exchange Server team who has been at the company since 1997, when Microsoft acquired Interse Corporation, a company Myerson founded.

Myerson was part of a team brought in to overhaul Microsoft's phone software in the wake of the success of the iPhone in 2007 and particularly in 2008. In addition to being well known within the company, he is also closely knit with various partners, including the people at Nokia with whom he went snow-shoeing last March.

www.wirelessindustrynews.org

Research In Motion Can Never Get it Right, Company Sinks, Stock Drops

December 16, 2011

As another clear sign that BlackBerry maker Research In Motion is in a lot of trouble, its two co-CEOs yesterday slashed their annual pay to a symbolic dollar each as the company's stock price sank to all time lows after RIM announced much lower sales.

RIM also announced a substantial drop in profits, combined with a rapidly dwindling market share in the global smartphone market.

Adding insult to injury, RIM suffered a 3-day service outage in October that affected millions of users all over the world, including Canada, its own home turf.

"The last two to three quarters have been some of the most challenging in the recent history of this company," RIM co-chief Jim Balsillie said while discussing the most recent quarterly earnings on a conference call with analysts. "We recognise our shareholders may feel we've fallen short."

Balsillie and the other RIM co-CEO Mike Lazaridis said they arranged to have their pay slashed to one dollar each per year as they overhaul the company to better compete in the booming smartphone and tablet computer markets. Some analysts took that as an

added sign on just how desperate RIM has become as of late.

The two executives depicted themselves as being among RIM's largest shareholders and vowed to "leave no stone unturned" in evaluating what needs to be changed at the company.

But what the shareholders really want is to have the two co-CEOs booted out and replaced by one single CEO that has more experience in the smartphone business. Slashing their salaries to \$1 won't solve much. Investors don't mind paying millions every year in salaries to a good CEO that delivers positive numbers, and grows the company for many years to come.

The Waterloo, Ontario-based company reported a profit of just \$265 million, or about 51 cents per share, on revenue of \$5.2 billion as compared with a net income of over \$911 million in the same quarter last year.

RIM's profit in the quarter that ended November 26 missed Wall Street consensus estimates and the stock price dropped more than seven percent to \$14.06 in after-hours trading following the release of the figures. Early this morning, in before-market hours, the stock is showing a price of about \$13.64. RIM's stock traded as much as \$147 a share in May 2004.

The company said it had yet to finalize its outlook for the current fiscal quarter but preliminary estimates indicated that device shipments would slide again and that it would not meet its original forecast of earning \$5.20 to 6.00 per share.

Additionally, deep discounting of the price of its unpopular PlayBook tablet computer were cited as added factors in RIM's disappointing financial performance.

Sales of its PlayBook tablet have been absolutely dismal since the device hit the stores in mid-April with a \$499 price tag for the 16-gigabyte model, \$599 for the 32 GB version and \$699 for the 64 GB model. Prices have since been lowered to around the \$199 mark, but there is still some confusion on that since some stores have been selling it for even lower as of late.

Major U.S. retailers Best Buy, Staples and Office Max slashed PlayBook prices to \$299, \$399 and \$499 in September but the device has failed to make inroads in a market dominated by Apple's iPad. It is hoped that at \$199 or less, the device will sell better, but not everybody is convinced.

RIM said it sold a paltry 150,000 PlayBook tablets in the third quarter and about 14 million BlackBerry smartphones. RIM's earnings were also hurt by multiple delays in getting new products to market.

Lazaridis said that the release of the new BlackBerry 10 smartphone was postponed into mid-2012 to wait for availability of more powerful, energy-efficient Dual-Core chips to power the mobile handsets.

BlackBerry sales have been declining a lot and rapidly in the United States where the market rewards high-performance smartphones such as the iPhone and Android-powered devices. Those two rivals are selling like hot cakes, and Apple and HTC simply cannot make them fast enough.

RIM also said that it planned major marketing, advertising and promotional campaigns for BlackBerry in the United States. RIM remains committed to PlayBooks, with improved operating software for the tablet computers on track for a delayed release in February, company executives said yesterday on a conference call with industry analysts that lasted about 90 minutes.

PlayBook OS 2.0 is seen as a chance to improve the PlayBook's appeal in the eyes of businesses devoted to the company's smartphones but increasingly tempted by hot Apple or Android mobile gadgets. But one major issue that RIM needs to address is the fact that the Playbook doesn't have an email feature like the BlackBerry does. Just about every other tablet on the market today including the iPhone and Android tablets feature email software that users are demanding.

RIM reported that it has about 75 million subscribers in its base of BlackBerry users. Ramped up marketing, product releases, and internal changes at RIM would hurt earnings in the short term while making the company more profitable in the long run, according to the two co-CEOs.

www.wirelessindustrynews.org

Products & Services

VZW, Samsung Launch Galaxy Nexus Today

December 15, 2011

Verizon Wireless, Samsung and Google today announced immediate availability of the Galaxy Nexus. The Android 4.0 (Ice Cream Sandwich) smartphone is available in Verizon Wireless stores

and online for \$299.99 with a new two-year customer agreement.

Galaxy Nexus is LTE-capable and features a 1.2 GHz dual-core processor, 4.65-inch HD Super AMOLED touchscreen, HTML5 Web browser, near-field communications (NFC), 5-megapixel camera with 1080p video recording and playback. Additionally, the phone features 1 GB RAM and 32 GB on-board memory.

Verizon's LTE network is currently available in 190 markets, covering over 200 million people across the United States. The carrier says its LTE network offers download speeds of 5 to 12 megabits per second (Mbps) and upload speeds of 2 to 5 Mbps.

The Galaxy Nexus made headlines last week with news that Verizon's version of the phone would not come equipped with Google Wallet to accompany its NFC capabilities. Verizon said it had concerns about security of the Google Wallet, but the carrier is also a member of the ISIS joint venture, which aims to roll out a nationwide mobile payments network based on NFC.

The Galaxy Nexus was the first phone to showcase Google's latest iteration of the Android operating system, Ice Cream Sandwich. Android 4.0 features a completely revamped UI and is optimized for use on both tablets and smartphones.

www.wirelessweek.com

Emerging Technology

The LTE Buildout Timeline: Where U.S. Carriers Will Be in 3 Years

December 13, 2011

The U.S. wireless industry has clearly coalesced around LTE network technology. All of the nation's major carriers are either building out the technology or planning to. Indeed, in some cases (think Clearwire (NASDAQ:CLWR)) they're switching over to LTE from a different network technology.

But where is LTE in the United States headed? Verizon Wireless (NYSE:VZ) is clearly in the lead now, but where will Verizon sit in two years? AT&T Mobility (NYSE:T) is struggling to catch up, with plans to cover 70 million people with the technology by the end of this year. And Sprint Nextel (NYSE:S) too plans to get into the game next year via its own spectrum, Clearwire's spectrum, and possibly LightSquared's spectrum as well.

Sign up for our FREE newsletter for more news like this sent to your inbox!

And what of the smaller players? Leap Wireless (NASDAQ:LEAP), C Spire Wireless and others have also committed to LTE. Where will they stand next year and the year after?

Finally, how will all these players stack up against Dish Network, which has promised an LTE-Advanced network? And LightSquared, which continues to work toward its own LTE network despite continued concerns over GPS interference?

To see exactly what each of the nation's top carriers has promised in terms of LTE, check out our U.S. LTE buildout timeline. You'll find details on what each carrier has publicly committed to in terms of coverage and spectrum.

www.fiercewireless.com

Will Majel Voice Google's Rebuttal to Apple's Siri?

December 14, 2011

Google may soon launch a new, more sophisticated voice assistant for Android devices that can respond to natural language commands, claims tech enthusiast site Android and Me.

Codenamed Majel after the late "Star Trek" actress Majel Barrett-Roddenberry, who provided the voice of the computer for all of the later versions of the popular science fiction TV series, the new voice assistant could launch as early as January or February.

If the report holds true, Majel would be an upgrade to Android's current Voice Actions app, which lets you make calls, send e-mails, search the Web, get directions, and perform other actions via your voice. But in its current incarnation, Voice Actions relies on preset voice commands in contrast to Siri, which lets you converse more naturally.

Details are sparse at this point. Google did not immediately respond to CNET's request for comment.

But Android and Me says that only Google search queries would be accessible in the first release since engineers have been working hard to get Majel off the ground. The project is reportedly being cooked up at Google X, the company's "secret" laboratory designed to turn futuristic ideas into reality, as profiled recently by The New York Times.

Majel is also expected to speak with a more human-sounding voice, thanks to Google's purchase of Phonetic Arts, according to Android and Me. If so,

then Majel could be able to converse with people just as Siri does.

Different developers have been busy creating their own Android counterparts to Siri, but so far there's been nothing from Google itself beyond Voice Actions.

Google Chairman Eric Schmidt recently referred to Siri as a "significant development" but one that he thinks could threaten the search giant's core business. Siri uses Google by default to perform a Web search. But Siri users can also tap into Bing, Yahoo, Wolfram Alpha, and a host of other online services to track down information and answers.

news.cnet.com

Mergers & Acquisitions

Verizon to Buy Cox's AWS Spectrum for \$315M

December 16, 2011

Cox Communications said it will sell 20 MHz of its AWS spectrum covering 28 million POPs to Verizon Wireless (NYSE:VZ) for \$315 million.

The deal comes two weeks after Verizon agreed to pay \$3.6 billion for the nationwide AWS spectrum licenses held by SpectrumCo, a joint venture of cable companies Comcast, Time Warner Cable and Bright House Networks. Cox said the deal does not include its 700 MHz spectrum licenses, the company's Cox Wireless customer accounts or any other assets. However, Cox spokesman Todd Smith told FierceWireless the deal includes all of Cox's AWS spectrum licenses.

Additionally, just as in the SpectrumCo deal, Cox and Verizon Wireless will also become agents to sell each other's residential and commercial products and services through their respective sales channels. Over time, Cox said it may have the option to sell Verizon Wireless' services on a wholesale basis, something Comcast and Time Warner have said they will do. Cox also said it expects to enter into arrangements with the innovation technology joint venture formed by Verizon Wireless, Comcast, Time Warner and Bright House to better integrate wireline and wireless products and services.

The Cox-Verizon deal is subject to regulatory approval and while Smith declined to give a specific timeframe he said "we're obviously working hard to make it happen as soon as possible." A person familiar with the SpectrumCo-Verizon deal who asked to remain anonymous told FierceWireless earlier this

month that the regulatory review for that deal is expected to take six to nine months.

Taken together with the SpectrumCo deal, the Cox AWS spectrum could give Verizon, the nation's largest carrier, an even greater spectrum advantage over its rivals if the deals approved. The SpectrumCo deal would give Verizon a total of around 110 MHz of nationwide spectrum. Verizon has said it plans to use AWS spectrum to supplement its 700 MHz spectrum for its LTE network, thereby providing additional capacity for LTE traffic.

The deal also signals the unwinding of Cox's independent wireless position; in November, Cox said it would abandon its wireless service offering by the end of March, effectively killing a year-long experiment by the MSO to build its own wireless network and provide wireless as part of a quad-play bundle.

In 2006, Cox teamed with Comcast, Time Warner Cable and Sprint Nextel (NYSE:S) as the SpectrumCo joint venture to bid on AWS spectrum licenses during the FCC's Auction 66. (Sprint exited SpectrumCo in 2007.) SpectrumCo in 2006 spent \$2.4 billion on licenses covering most of the populated areas of the United States. In November 2008, Cox exited SpectrumCo (according to this FCC filing) and took with it 31 AWS licenses in parts of California, Georgia, Oklahoma, the Southwest and elsewhere

www.fiercewireless.com

Industry Reports

Amazon Says It Sells 1 Million Kindles Per Week

December 15, 2011

The Kindle Fire is so hot, it has driven sales of Amazon.com's reader and tablet devices to more than 1 million per week, the online super-retailer said Thursday.

A news release said customers have been buying "well over 1 million Kindle devices per week" for each of the past three weeks, and the new Kindle Fire, with added features and a customized version of Google's Android operating system, is the bestselling item on Amazon.com since its introduction 11 weeks ago.

"People are buying Kindle Fire because it's a simple, fully integrated service that makes it easy to do the things they love -- watch movies, read books and magazines, listen to music, download apps, play games and surf the Web," said Dave Limp, vice

president of Amazon's Kindle division, in the news release. "Customers continue to report preferring their Kindle e-reader for long-form reading, and in fact we've seen many customers buy two Kindles -- both a Kindle Fire and a Kindle or Kindle Touch -- this holiday season."

How many of those devices will remain sold is another matter. Retail returns are up slightly from last year, with 9.9 cents of every dollar going back to customers, the Associated Press reported the same day as Amazon's statement.

The Kindle sells for \$199, less than half the cost of the basic model of Apple's market-topping iPad tablet, and Amazon also sells the \$79 Kindle reader, \$99 Kindle Touch, and \$149 Kindle Touch 3G.

"Considering its aggressive pricing, I expect the Kindle Fire to be this year's hot, go-to holiday gift." Said Charles King, principal analyst at Pund-IT. "That the economy is in a fragile state is playing a part in this, too. The Fire is one of the few items I can think of that combines consumer buzz and bargain pricing."

And the inevitable question when discussing tablets: Should Apple be worried? "Probably so," said King. "Not only is the Fire priced much lower than the iPad but it doesn't really suffer from direct comparisons -- they're two entirely different critters."

The distinction, says King, is that Amazon markets the Fire as an integrated media consumption device compared to Apple's pitch for the iPad as a laptop replacement. "By not attempting to be all things to all people, Amazon may succeed in making the Fire just the sort of ideal "companion" device that many people consider the best use case for tablets," he said.

Jeff Orr, a mobile devices expert at ABI Research, said Amazon's claim of 1 million Kindles per week is plausible -- for now.

"Volumes will likely slow after the end-of-year holidays -- first quarter sales are cyclically slow," said Orr. "Some financial analysts (Amazon investors) have estimated up to 5 million Kindle Fire shipments in 2011. Coupled with continued growth of e-readers at lower prices year-over-year, ABI expects a healthy 4 Q'11 and a robust 2011 in total."

Most of the Kindle volume is domestic, he said. "Very little non-U.S. sales (especially on Wi-Fi only devices). Amazon does have some Kindle book stores on other country portals, Amazon.co.uk, for example, but only a handful of countries where they have content distribution rights."

www.mobile-tech-today.com



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