

This Week's Stories

Justice Department Extends Review of AT&T/T-Mobile Deal

May 3, 2011

The Department of Justice has extended its review of AT&T's proposed \$39 billion acquisition of T-Mobile USA via new requests for information, a move that could allow antitrust regulators to extend the review indefinitely, according to a *Bloomberg* report.

The report, citing two unnamed sources familiar with the matter, said antitrust authorities at the Justice Department have sent so-called civil investigative demands to wireless competitors of the two carriers. The requests for information, which are similar to subpoenas issued in court proceedings, ask for information about how the deal might affect the competitors' businesses, the report said.

Representatives from AT&T, T-Mobile and the Justice Department declined to comment, according to *Bloomberg*.

Analysts have said the antitrust review, which began last month, could take more than a year to complete. Concurrent with the antitrust review, the FCC also is assessing the deal for how it will affect the wireless industry. Sprint Nextel has vowed to lobby against the deal and Congress is expected to hold hearings on the proposed tie-up later this year.

Last month, AT&T filed its paperwork at the FCC to formally request a transfer of spectrum licenses from T-Mobile. In the filing, which essentially argues why AT&T and T-Mobile believe the proposed acquisition is in the public interest, AT&T touted many of the benefits it has noted before, including that the deal will bring increased spectral efficiencies, fewer dropped calls and better service, as well as expand the availability of LTE.

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Products & Services

RIM Answers Stock Drop with Bevy of Announcements

May 2, 2011

Research In Motion (RIM) today unveiled a couple of new BlackBerry devices, a new iteration of BlackBerry OS (BlackBerry 7 OS) and a couple of important new app additions to the BlackBerry Playbook. All of these

announcements come a day ahead of the annual BlackBerry World conference (May 3-5).

Two new BlackBerry Bold smartphones, the Bold 9900 and 9930, add to RIM's expanding line of touchscreen devices and will be the first devices to come running BlackBerry 7 OS.

Spec-wise, the two phones are almost identical, aside from the fact that the 9900 supports HSPA+ and GSM and the 9930 is CDMA, HSPA+ and GSM. These are RIM's thinnest smartphones yet; both come in at 10.5 mm thick. Both phones feature a 1.2 GHz processor and 768 MB of RAM, 8GB internal (expandable to 32GB), 5 MP camera, NFC technology, Bluetooth, Wi-Fi and GPS.

The new BlackBerry Bold 9900 and 9930 smartphones are expected to be available from carriers around the world beginning this summer.

RIM also has overhauled its BlackBerry OS. The new iteration of the BlackBerry OS, BlackBerry 7 OS, offers a number of new features.

BlackBerry 7 features BlackBerry Balance, which allows users to separate personal content from corporate content. Users will have the option of using their handset for personal email, Facebook, Twitter, multimedia, games and other apps, while keeping their corporate data secure.

BlackBerry Balance works in conjunction with BlackBerry Enterprise Server 5.0.3, which provides a number of IT policy controls, such as wiping only corporate data from the handset or blocking work-related content and apps from being copied or forwarded to personal contacts.

The company says it has "significantly enhanced" the browser with BlackBerry 7. The new BlackBerry devices feature something called Liquid Graphics in their displays, which helps deliver faster rendering and seamless panning and zooming. The BlackBerry 7 browser also includes a JavaScript compiler to improve the load time speed of web pages. The new browser also supports additional HTML5 elements, such as HTML5 Video.

The company also took time to address the BlackBerry PlayBook, which has seen tepid reviews since its release. RIM today announced a video chat application for the PlayBook, as well as a Facebook app that has been optimized for the company's tablet.

And if BlackBerry users weren't satisfied with a couple of new phones and a BlackBerry 7 OS, RIM today reached across the aisle to offer BlackBerry

Enterprise Support (BES) for iOS and Android platforms.

"We recognize the opportunity to continue leading in the enterprise market by providing customers with a common platform to help simplify the management of a variety of mobile devices," said Peter Devenyi, vice president, communications platform group at RIM, in a statement.

Today's announcements come on the heels of a massive drop in RIM shares on the company's revised guidance for the first quarter of 2011. RIM stock dropped over 13 percent in a matter of hours in response to financial analysts' reaction to the announcement.

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Bing to be Default Search Engine on BlackBerry

May 3, 2011

Microsoft chief executive Steve Ballmer announced Tuesday that the US software giant's Bing search engine and maps would be the default service on BlackBerry devices.

Ballmer made the announcement during a surprise appearance at the three-day BlackBerry World developers conference being held by BlackBerry maker Research In Motion (RIM) in Orlando, Florida.

Bing director Matt Dahlin said in a blog post that Bing will be the preferred search provider in the Web browser on BlackBerry devices and the default map application.

Bing will also be the search engine and map application on RIM's new BlackBerry Playbook, its touchscreen tablet computer rival to the iPad.

"We are excited to be working with RIM, an early leader in Internet-connected mobile devices, to help people make better decisions with Bing," Dahlin said.

Google dominates the Internet search market but Microsoft is mounting a challenge and they are battling over the rapidly growing smartphone market.

RIM has been facing stiff competition from Apple's iPhone and handsets running Google's Android software and the Canadian company lowered its quarterly earnings outlook last week on weaker BlackBerry sales.

Microsoft had been steadily losing its share of the mobile phone operating system market but Finland's Nokia announced in February that it planned to begin using Microsoft's Windows Phone platform for its smartphones.

A Microsoft spokeswoman declined to reveal any of the terms of the agreement with RIM or whether it could pose any complications to the Redmond, Washington-based company's partnership with Nokia.

news.yahoo.com

Vodafone Lets Londoners Pay for Taxis via Text Message, Charge Their Phones in Transit

May 3, 2011

Mobile payment systems may be gaining only gradual steam in the US, but over on the other side of the pond, Vodafone UK has launched a broad new campaign to integrate smartphone technology where Londoners may need it most -- in the back of taxis.

As of today, many cab passengers will be able to charge their smartphones in transit, thanks to a wide range of chargers that the mobile carrier has installed in more than 500 of London's iconic black vehicles.

Vodafone is also rolling out a new payment scheme today, whereby cash-strapped travelers can text their cab's license number to a specific code, allowing any owed fares to be charged directly to their phone bills.

The system certainly doesn't sound as elegant as some of the NFC-based operations we've heard about, but it still beats having to navigate your cab driver to the nearest ATM, with the meter tick-tocking away.

www.engadget.com

Apple, Verizon to offer wireless updates to iPhone?

May 5, 2011

Will Verizon iPhone users finally be able to update their devices wirelessly without the need for iTunes?

Multiple sources have told Apple news site 9to5Mac that Apple and Verizon Wireless will soon offer over-the-air updates to the iPhone following this fall's expected release of iOS 5. Although iOS 5 itself won't be available wirelessly, 9to5Mac reports that any future updates to the OS will come over the air. With such a change, people would no longer need a PC and iTunes to act as the middlemen to keep their smartphones current.

If the reports are true, Apple would join rival Google, which already offers Android users the ability to update their devices sans computer. Apple reportedly also has the technology to update its devices over the air already, but the company has apparently been cautious about opening it up everywhere. However, Apple has been chatting with Verizon about unleashing this technology since early this year, said 9to5Mac.

The sources didn't say whether wireless updates would also be available on AT&T or international carriers of the iPhone. No specific mention was made to the iPad or iPod Touch, but the same technology logically should extend to all of Apple's iOS devices.

Though over-the-air updates would provide a convenient, mobile way to keep the iPhone updated, there are a couple of potential pitfalls.

Most iOS updates now weigh in at over 600MB, a hefty payload to deliver wirelessly. 9to5Mac believes Apple would have to pare down the size of its updates, perhaps by offering smaller and more incremental updates rather than fewer and larger updates.

Also, updating an iPhone through iTunes first syncs the contents of the device to the PC as a precaution in the event the update fails. If an update were to bypass iTunes, people would need some other way to back up and sync their devices, perhaps through some sort of cloud-based system.

Tech enthusiast site Pocket Lint adds a slightly different spin to the story, saying that if Apple were to apply over-the-air updates, it would apply them universally and not just to the Verizon iPhone. The site believes we'll hear more about this potential new development in a month when Apple opens the doors to its Worldwide Developers Conference.

news.cnet.com

Industry Reports

Genachowski: Antitrust Laws Aren't Enough for Net Neutrality

May 5, 2011

FCC Chairman Julius Genachowski again defended the agency's open Internet rules before lawmakers today.

In a speech before the House Subcommittee on Intellectual Property, Competition, and the Internet, Genachowski dismissed suggestions that antitrust laws were the proper way to maintain net neutrality, versus FCC regulations.

"In my view, while critically important, antitrust laws alone would not adequately preserve the freedom and openness of the Internet or provide enough certainty and confidence to drive investment in our innovation future," he said. "As we heard during our FCC proceeding, antitrust enforcement is expensive to pursue, takes a long time, and kicks in only after damage is done."

Overtuning the FCC's current net neutrality regulations would be harmful by increasing uncertainty for stakeholders in the telecommunications industry, Genachowski said.

The FCC's open Internet rules, adopted by a 3-2 vote last December, have been under attack from Republican members of the House and Senate, who want to overturn the regulations. Lawmakers have attempted to block funding for the regulations and nullify the rules, but so far both efforts have stalled.

Verizon and MetroPCS also sued the FCC over the regulations, but their complaints were dismissed on the grounds that they had been filed prematurely. Verizon plans to re-file its suit after the FCC publishes the regulations in the Federal Register.

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Wireless Carriers Cancel Their Plans for ISIS

May 4, 2011

Wireless carriers in the United States have decided that ISIS won't be an NFC payment system as originally planned, but instead will consist of a wallet to hold payment cards and without a revenue stream to call its own. The news come as a blow to the 3 companies, since quite a bit of time and effort has been put into the project so far.

In November of last year, Verizon Wireless, AT&T Mobility and T-Mobile USA created a mobile payment system designed to help wireless users easily pay for certain items at physical stores using their mobile phones and MIDs (mobile Internet devices), the three wireless carriers have said earlier today.

Dubbed 'ISIS', the three companies built the new payment network with the initial goal of setting up a system in which people can use smartphones to easily pay for products or services directly at a retailer, known as PoS (point-of-sale) purchases. A similar system has already been in place for the past two years in many Asian countries.

The new solution will use a technology called NFC (near-field communication), which provides short-range and encrypted wireless communications

between different mobile devices. The three carriers say the system will include strong security and privacy protection. Isis was expected to be available around April or May 2012, the three had said at the time. In Japan, China and other Asian countries, a similar system has been in place for about two years now. It was only a question of time before a similar payment solution would be implemented in North America, some wireless industry observers have said. In fact some were asking what took mobile carriers so long in implementing a working and secure solution, and why would it take them another 18 months for it to be completed.

The scaled-back plan will see Isis verifying payment applications from Visa, Mastercard and anyone else rather than creating anything new. That takes away the revenue stream that was supposed to pay for the NFC handsets that everyone is being told they want.

The ISIS idea was to use terminals owned by the Discover Card to take the payments, and create a viable alternative to Visa or Mastercard. But citing "people familiar with the matter" the Wall Street Journal reports that merchants didn't like the idea of a new player, and Isis has now downgraded its aspirations to acting as a gatekeeper verifying applications from those companies with whom it had planned to compete.

NFC payment systems are based on radio communications, and a secure element which can cryptographically verify transactions. The secure element has a single owner who holds the key-- no payment application can be installed without approval by that owner. Isis has moved from providing the payment application to holding the keys to the secure element.

An important role certainly, though one slightly undermined by the decision of some mobile handset manufacturers such as Samsung to provide multiple secure elements under the control of different bodies.

But it's also a role with no obvious revenue-generating potential-- certainly a major stumbling block for the three wireless carriers that created ISIS. This leaves wireless operators to sketch out new ideas for making money with coupons (as Google is planning) or charging payment applications rental fees for the privilege of being installed on their system.

For example, in Europe there's a new trend for mobile phone operators to launch payment systems first, with the intention of integrating into NFC mobile handsets as an option later down the road. One can imagine getting a handset from O2 that was able to run Visa or Mastercard apps, but came pre-installed with O2 Money in the hope that few people would bother with optional downloads.

That might or might not work, but at least it's a plan with revenue-generation potential, which is more than Verizon, AT&T and T-Mobile have for now.

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