

## This Week's Stories

### **Sleep With Your iPhone? You're Not Alone**

July 26, 2011

You gave it a pet name. It knows more about you than your mother does. Sometimes you even sleep with it. In fact, you're so attached to it that being separated for only a few minutes could send you into a panic.

While smartphone users worry about mobile hacking and other security threats that are making news these days, psychologists and others are concerned about another equally troubling issue: the growing obsession among people who would much rather interact with their smartphones than with other human beings.

"Watching people who get their first smartphone, there's a very quick progression from having a basic phone you don't talk about to people who love their iPhone, name their phone and buy their phones outfits," said Lisa Merlo, director of psychotherapy training at the University of Florida.

The increasing dependence comes as more Americans ditch their iPods, cameras, maps and address books in favor of the myriad capabilities of a smartphone. After all, companies have rolled out thousands of applications that do everything from track your heart rate to guide you through the streets of New York City. While smartphones have made life easier for some, psychologists say the love of them is becoming more like an addiction, creating consequences that range from minor (teenagers who communicate in three-letter acronyms like LOL and BRB) to major (car accidents caused by people who text while driving).

Merlo, a clinical psychologist, said she's observed a number of behaviors among smartphone users that she labels "problematic." Among them, Merlo says some patients pretend to talk on the phone or fiddle with apps to avoid eye contact or other interactions at a bar or a party. Others are so genuinely engrossed in their phones that they ignore the people around them completely.

"The more bells and whistles the phone has," she says, "the more likely they are to get too attached."

Michelle Hackman, a recent high school graduate in Long Island, NY, won a \$75,000 prize in this year's Intel Science Talent Search with a research project investigating teens' attachment to their cell phones. She found that students separated from their phones were under-stimulated a low heart rate was an

indicator and lacked the ability to entertain themselves.

Most of the teens at Hackman's affluent high school own smartphones, she says, and could even be found texting under their desks during class. "It creates an on-edge feeling and you don't realize how much of the lecture you're missing," Hackman says.

For some, the anxious feeling that they might miss something has caused them to slumber next to their smartphones. More than a third of U.S. adults 35 percent now own a smartphone, according to the Pew Research Center, and two-thirds of them sleep with their phones right next to their beds.

Michael Breus, a psychologist and sleep specialist, said in his clinical practice, his patients often describe how they answer emails, text and surf the Web as they're trying to wind down at night. He says this is a bad idea.

"This behavior can increase cognitive arousal," he says, "leading to the No. 1 complaint I hear: 'I can't turn off my mind and fall asleep'."

Trouble sleeping isn't the only problem smartphones junkies exhibit. Some people are willing to do almost anything to feed their addiction including spending more money for the data plans than they can afford. According to J.D. Power and Associates, the average smartphone user spends about \$107 each month for wireless access more than the average household pays for electricity each month.

And consumers' dependence on mobile phones is only expected to grow as people use their phones for things like shopping and banking. Mobile commerce purchases made when shoppers access stores' websites or mobile applications through their phones is expected to account for \$6 billion in sales this year, according to Forrester Research.

For others, being away from their phone will almost certainly cause separation anxiety. According to researchers at the Ericsson ConsumerLab, some people have become so dependent on being able to use their smartphones to go online anytime, anywhere, that without that access, they "can no longer handle their daily routine."

[news.yahoo.com](http://news.yahoo.com)

## iPhone Could Solve Debt Ceiling Stalemate

July 28, 2011

Little did Steve Jobs know in January 2007 that he was about to unveil a device that, four and a half years later, could help end a vicious debate about raising America's debt ceiling.

Well, sort of. But tucked inside Senate Majority Leader Harry Reid's bill to raise the debt ceiling is a proposal to make money by auctioning government-owned wireless spectrum to cell phone companies. Wireless spectrum is the frequency that mobile devices and towers use to send and receive information. Reid's plan, by selling spectrum, would reduce the deficit by a net \$13.1 billion over the next 10 years, the Congressional Budget Office said Wednesday. It's a drop in the bucket when Reid needs \$2.7 trillion in spending cuts to raise the debt ceiling by the same amount, but every bit counts.

Even though it's not a lot of money, it's already stirring a debate. The National Association of Broadcasters "is deeply concerned about provisions currently in Senate Majority Leader Reid's legislation that would threaten the future of a great American institution -- free and local television," a spokesman said. The television broadcasters are worried that expanded wireless use of the spectrum would cause interference with their channels. But the broadcasters' proposal to prevent interference would require spectrum -- thus less spectrum to auction. And therefore less revenue for Reid's bill to claim.

Ever since Apple's (AAPL, Fortune 500) iPhone sparked a smartphone craze, wireless spectrum has been stuffed to the gills by consumers downloading YouTube videos and uploading photos to Facebook on their mobile devices. Reid's bill is not the first proposal to solve the problem of crowded wireless spectrum space. In fact, one is already before the Senate: A bipartisan bill co-sponsored by Sens. Jay Rockefeller and Kay Bailey Hutchison passed a vote in the Senate Commerce Committee in June. And here's where Reid's bill has sparked yet more critics. This time it's the wireless industry, which says Reid's proposal undercounts what it will cost to successfully implement a crucial part of the plan. For one thing, Reid's bill would spend \$7 billion to help fund the creation of an emergency wireless network. The bipartisan Rockefeller-Hutchison bill allocates \$12 billion.

"Reid's bill offers enough for the public safety network to get its doors open, but not enough to get the job done," said one wireless industry lobbyist who asked not to be named. Reid's bill also trims a few billion dollars off of research and development funding that

was allocated in the Rockefeller-Hutchison bill. It turns out there's a history of stuffing spectrum auctions into budget bills. Since the FCC began selling frequencies in 1993, each auction has come as part of a broader budget bill. The first came in 1993 and the second as part of the 1997 balanced budget bill. The third and most recent auction, which involved digital television and the allocation of the frequencies used for 4G networks, came as part of a 2005 budget deal.

[money.cnn.com](http://money.cnn.com)

## Products & Services

### Users With Fake Names Get Boot From Google Plus

July 25, 2011

Google+ has been a hit in the tech community, with early adopters praising its clean design and features like Circles and group video chat.

But some of those same folks are now miffed, saying the social-networking site is being too aggressive in booting users who don't sign up with their real names. Over the weekend and into Monday, multiple tech blogs were reporting what appeared to be an uptick in the number of people removed from Google+ for signing up under assumed names.

"Google Profiles are designed to be public pages on the web, which are used to help connect and find real people in the real world," a Google spokeswoman said in an email. "By providing your common name, you will be assisting all people you know - friends, family members, classmates, co-workers, and other acquaintances - in finding and creating a connection with the right person online."

The email did not specifically address complaints about the policy and account deletions.

The Google+ content policy says, "To help fight spam and prevent fake profiles," users must use the name their friends, family or co-workers usually call them. "For example, if your full legal name is Charles Jones Jr. but you normally use Chuck Jones or Junior Jones, either of those would be acceptable," the policy reads.

Limor "Ladyada" Fried, a noted figure in the open-source hardware community, briefly had her account suspended over the weekend. Her name is an assumed one but one by which she's well-known (she recently was featured in a cover story in Wired magazine).

Her account was reinstated.

Former Google employee Kirrily Robert, who goes by the single name "Skud," said she also had her account suspended when she used the nickname to sign up. She wrote that she expected the nickname issue to come up and largely wanted to test how the site dealt with it.

"I thought it would be interesting and educational for someone who understands the system quite well (my recent ex-Googler status helps with this) to poke at it from outside and see how it appears to work," she wrote on her personal blog. "My goals were, firstly, to help highlight the problems with the policy, and secondly, to test out and document the processes around it. This seems to be going well so far."

Critics note that dissidents and whistle-blowers have used social media like Facebook and Twitter under assumed names to fight corruption and contribute to political causes. Their safety might be jeopardized if they used their real names, critics say. Facebook's policy also requires users to register for the site with their real names. That site's terms and conditions state: "We reserve the right to remove or reclaim [a user's name] if we believe appropriate (such as when a trademark owner complains about a username that does not closely relate to a user's actual name)."

According to Scoble, Gundotra said there is no intention to require legal names, just to delete obviously fake and offensive ones.

"After running through his reasoning, mostly to have a nicer, more personal, community, I feel even stronger that Google is on the right track here even though I feel they weren't fair or smart in how they spun up these new rules," Scoble wrote. "But Vic convinced me to hang in there and watch their decisions over the next few weeks."

[www.cnn.com](http://www.cnn.com)

## **Android's Dirty Secret: Shipping Numbers Are Strong but Returns Are 30-40%**

July 26, 2011

It's generally accepted that, on the aggregate, Android device sales will far outpace iOS sales year after year. However, there's a dirty little secret about Android devices that most manufacturers are facing: the return rate on *some* Android devices is between 30 and 40 percent, in comparison to the iPhone 4's 1.7% return rate as of Antennagate in 2010.

As we learned yesterday, Samsung is selling 18 to 21 million phones this quarter. Although all of those won't be Android phones – Samsung manufactures Bada phones as well for the low-end. We do know for sure

that the Galaxy S II sold 3 million in 55 days, a strong showing.

However, on the ground, many return rates are approaching 40% said a person familiar with handset sales for multiple manufacturers. Why? Well, as Matt noted, consumer understanding of the platform and handset availability is massively bifurcated.

For us nerds, Android makes a lot of sense. It's ostensibly open platform (but not really) that offers far more flexibility to the programmer, carrier, and, ideally, the user.

For the "average" phone user, however, Android is a maze. Anecdotally, I've heard of multiple examples of folks who bought an Android phone in order to "Think Different" and came away disappointed when faced with the glaring differences between Android and a friend's iPhone or Blackberry.

Sure, the Android hardware ecosystem is more variegated and expansive and sure, Android is free for carriers to implement (in general) but clearly it's the little differences that are driving sales and, more important, returns.

[techcrunch.com](http://techcrunch.com)

## **Emerging Technology**

### **AT&T Confirms Gingerbread Coming to Entire 2011 Android Lineup (and Samsung Captivate)**

July 25, 2011

AT&T confirmed that upgrades to the Android™ 2.3 (Gingerbread) platforms are planned for all post-paid Android smartphones already introduced this year. Motorola ATRIX™ 4G users will receive an update to Android 2.3 beginning today and HTC Inspire™ 4G users will receive the update in the coming weeks. Motorola ATRIX 4G update will also provide the ability to download applications from third-party stores. HTC Status™ arrived in stores July 17, the first AT&T smartphone running Android 2.3.

Customers who purchased an Android smartphone from AT&T introduced in 2011 can expect to receive an update to Android 2.3. All of these devices are planned to be upgraded from Android 2.2 to Android 2.3, also referred to as Gingerbread. In addition, Samsung Captivate™ owners will be able to upgrade to Gingerbread.

Delivery methods will vary by device. Whenever possible, upgrades are delivered over-the-air (OTA), however in some cases the size of the file needed to

install the update will require the user to connect via Wi-Fi or connect the phone to a PC to install the update. Factors such as manufacturer-defined software and other device performance improvements result in each device requiring a separate update which will vary in timing.

Beginning today and continuing over the next few weeks, Motorola ATRIX 4G users will be prompted to install the update. To download the update, users must be connected via Wi-Fi. In August, HTC Inspire 4G users will be notified that the update is available and can be downloaded when connected to a Wi-Fi network. AT&T smartphone users can access at any one of the company's more than 26,000 Wi-Fi hotspots at no cost.

Gingerbread delivers a number of improvements, such as user interface refinements, refined copy/paste functionality and speed enhancements. The upgrade offers improved power management that offers a more active role in managing applications in addition to an improved on-screen keyboard with multi-touch support that makes typing faster and more accurate.

[www.engadget.com](http://www.engadget.com)

## **Clearwire Introduces New 4G Mobile Hotspot**

July 26, 2011

Clearwire announced yesterday that they will be offering a new personal WiFi hotspot for connecting to their 4G Wimax network. With the new Clear Spot 4G-Apollo you and seven other devices can connect to Clear's blazing fast Wimax network while on the go.

Measuring just 3.4 inches square and weighing less than five ounces the new Clear Spot will keep you connected for six hours on a single charge. A small screen displays information such as signal strength, battery life and connectivity. Clear promises average download speeds of 3-6 mbps with the new Clear Spot, just don't go overboard as Clear has been known to throttle extreme users. While the Clear Spot will connect you to 4G, it does not support 3G roaming in areas that lack 4G coverage. At the moment Clear does not offer coast to coast service, but they do have coverage in most major cities in the U.S. To see if there is coverage in your area check out Clear's coverage map.

Clearwire, which currently operates on 4G WiMax, has its eyes on switching to LTE and has recently conducted LTE trials in Phoenix. According to Erik Prusch, Clearwire's CEO, "We were able to take advantage of the speed to market before LTE was even a glimmer in anyone's eye. But we recognize the

ecosystem in the U.S. will be larger for LTE than WiMax, so we are conscious of that."

Clear will be offering the new Clear Spot by the end of the month for \$99 to purchase the hotspot or \$6 a month to lease it. Monthly plans start as low as \$45 a month.

[www.goingwimax.com](http://www.goingwimax.com)

## **Mergers & Acquisitions**

### **Sprint Announces LightSquared Partnership, Posts Higher Loss**

July 28, 2011

Struggling mobile provider Sprint Nextel announced a 15-year partnership with LightSquared on Thursday, the wireless venture backed by billionaire Phil Falcone, to help build out its network and share equipment costs. Sprint (NYSE: S) hopes the deal will boost its flagging fortunes as it tries to compete with larger rivals Verizon Wireless (NYSE: VZ) and AT&T.

Per the terms of the LightSquared partnership, Sprint will build and deploy a nationwide 4G LTE network using L-Band spectrum available for LightSquared's use. In return, LightSquared will pay Sprint as much as \$9 billion in cash and \$4.5 billion in credits over 11 years, which it can use to buy network capacity for LightSquared on a wholesale basis.

LightSquared faces intense opposition from the GPS industry after a report found that its network interferes with some satellite communications. On a conference call with analysts after the earnings announcement, Sprint CEO Dan Hesse addressed the issue.

"As a provider of GPS services, Sprint wants this issue to be resolved and we will not turn on the network until this issue is resolved," Hesse said. Sprint has the right to terminate the LightSquared agreement if the GPS interference issues aren't resolved by the end of the year, company officials said.

Sprint, the third largest wireless carrier after Verizon Wireless and AT&T (NYSE: T), added net 1.1 million subscribers in the quarter, driven by new pre-paid, wholesale and affiliate customers. But the company lost 101,000 subscribers on contract-based plans, far exceeding the 25,000 subscribers analysts had expected the company to lose. Company officials cited increased competition from Apple's iPhone, which became available on Verizon in addition to AT&T earlier this year.

Hesse declined to comment on the potential competitive threat posed by the iPhone 5, which is rumored to be arriving in the fall.

Sprint's struggles highlight the fierce competition in the mobile space. AT&T has proposed a \$39 billion dollar merger with T-Mobile, which is currently under review by federal regulators. Sprint reiterated its opposition to the deal, saying it would stifle competition and innovation, and lead to higher costs for consumers.

Sprint posted a second quarter loss of \$847 million, compared to a loss of \$760 million one year ago, due to investment losses and higher tax expenses. The company lost 28 cents per share, significantly worse than the 12 cents per share that analysts had been expecting. Net operating revenue increased to \$8.31 billion from \$8.03 billion one year ago. Company shares fell as much as 8 percent in pre-market trading following the announcement Thursday.

[moconews.net](http://moconews.net)

## **RadioShack Partners with Verizon, Dumps T-Mobile**

July 26, 2011

RadioShack said today that it plans to drop T-Mobile USA and start selling Verizon Wireless products and services in its stores beginning in September. The switch allows RadioShack to tap into Verizon Wireless's customer base, which is currently the largest in the nation. It's also a calculated move to detach itself away from T-Mobile, which is going through the process of being acquired by AT&T. T-Mobile, however, said it was the one who decided to stop working with RadioShack.

"This is a substantial win for our customers, as this relationship with the nation's largest wireless provider will further enhance our position as a leading multi-carrier wireless retailer," RadioShack Chief Executive Jim Gooch said in a statement.

The announcement is a rare bright spot for a company still struggling with its business model. The company also reported a second-quarter profit that fell by more than half from a year ago, as revenue also slipped. Part of the decline was attributed to clearing out T-Mobile inventory and closing a manufacturing plant in China, but the results were still ugly.

In addition, the company said it recognized a \$3 million charge dealing with the transition to Verizon in the second quarter. In the third quarter, it will recognize a one-time charge of \$23 million related to

a payment to T-Mobile and an additional inventory charge. RadioShack is hoping for a boost from Verizon. The company plans to sell its products and services on September 15, a day after it stops selling T-Mobile products. RadioShack already sells products and services offered by AT&T and Sprint Nextel.

Credit Suisse analyst Jonathan Chaplin said the deal marks a modest positive and a negative for T-Mobile and AT&T. For Sprint, he said the development is mixed; while it loses a low-cost competitor in T-Mobile, it gains a high-end rival in Verizon. T-Mobile said today that it working on new national retail opportunities and said it will announce "new channels" in the coming weeks that will more than double the number of RadioShack locations currently offering its products and services.

"After careful consideration, we decided that in order to increase the effectiveness of our retail network and in line with our sales strategy, T-Mobile will exit RadioShack retail locations, effective September 15, 2011," said Hernan Daguerra, a spokesman for T-Mobile.

But RadioShack's ability to push T-Mobile products had waned over the past year. In the third quarter of last year, T-Mobile raised the credit standards on customers who signed up for its service through RadioShack, hurting the retail chain's ability to sign up contract customers. T-Mobile saw a higher decrease in customer growth there than at other outlets, leading to the decision to split with RadioShack.

RadioShack and Verizon previously had a partnership but split in 2005, pushing RadioShack to sign deals with then Cingular Wireless and Sprint PCS.

[news.cnet.com](http://news.cnet.com)

## **Industry Reports**

### **Some 3D Video Causes Eye Strain, Fatigue**

July 25, 2011

Certain kinds of 3D displays can cause extra eye fatigue, according to a study published by the Journal of Vision that was funded in part by Samsung's R&D arm.

A group of researchers from the University of California-Berkeley found that when test subjects watched 3D displays, they reported more eye strain and fatigue and less vision with changes in depth of the screen and the depth of the 3D image. Researchers also found the relationship between image depth and nearness of the screen also played

a role in eye strain. Twenty-four participants in the study were shown 3D video at various viewing distances, and then responded to questionnaires on their eye fatigue, neck and back pain, and vision clarity.

In the video clips, the authors were varying the focal point, which is the surface of the screen, and the vergence distance, which is where in the image on which the eyes are fixating. For 2D video, these points are always one and the same, but in 3D video the vergence distance varies, and can be either deeper than the surface of the screen or in front of it. The participants responded that they experienced more eye strain and fatigue from the video with different vergence and focal distances, a feature of 3D that has long been supposed to cause eye strain (particularly when the two distances did not mimic a realistic portrayal of three dimensions). The self-reported differences were not drastic, but they were significant.

A second part of the study found that though 3D was fatiguing in general, the participants had more problems with distant displays showing an image with a vergence distance deeper than the screen and with near displays showing images popping out of the screen.

This research is highly relevant to 3D content designers, who could determine what to recess or pop out of the screen based on the expected viewer distance.

However, the study also means that 3D video that is more comfortably viewed in a movie theater is necessarily more uncomfortable to look at when viewed in a living room.

[www.cnn.com](http://www.cnn.com)

## **Survey Shows Pent-up Demand for Next iPhone**

July 27, 2011

It's a testament to your brand name and image when a plurality of consumers are willing to buy your product without even trying it... or even seeing it with their own eyes.

A recent survey of close to 3,000 people found that 35% were willing to purchase Apple's next-gen iPhone when it hits the market.

Altogether, 2,852 consumers responded in the Experian PriceGrabber survey. Of respondents, 7% said they'd nab the iPhone 5 within its first week on the market, 14% wanted to get it within the first month, and 51% said they'd buy the iPhone 5 within its first year of release.

"Our survey data confirms the strong following Apple has built around its iPhone, with more than one-third of consumers planning to upgrade to the latest model only a little over a year following the release of the iPhone 4," said PriceGrabber general manager Graham Jones, in a press release.

Apple has nearly always had a cult following of loyal users, but in recent years, particularly since the release of the first iPhone, that devotion has spread. Not all may consider themselves "fanboys," though (and in fact, many will vehemently deny it).

The company's media events are heavily anticipated and product releases are swathed in rumor. Almost 2 million iPhone 4 devices were sold its opening weekend, and when it hit Verizon, sales records broke in a mere two hours. With such a popular brand, and such a successful line of smartphones, it's not surprising that people can't wait to get their hands on an iPhone 5 -- even if they don't know what it looks like yet.

So what makes Apple such a desirable phone manufacturer that consumers are willing to bet on it, sight unseen?

One factor: Apple's well-curated, well-populated App Store presents consumers with a wide variety of quality apps to choose from. Other app stores still just don't stack up, either suffering from a lack of content, a lack of profit (for developers), the presence of malware, or sudden app removals.

If you've got a problem with an Apple product, Apple's brick-and-mortar stores offer a convenient, reliable way to get help or get a fix. Apple even has an app for its App Store, so you can easily schedule appointments if, for instance, your iPhone's home button suddenly quits functioning.

If you're planning on giving a phone as a gift, according to the PriceGrabber survey, you can't go wrong with Apple: 69% of respondents said they would prefer receiving an iPhone 5 as a gift over other upcoming smartphone models such as the Droid Bionic, Galaxy S II, or BlackBerry Curve. With all this hype and anticipation, I would not be surprised if iPhone 5 sales end up blowing past sales records out of the water.

[www.cnn.com](http://www.cnn.com)

## **Galaxy Phone May Rocket Samsung to No. 1 Globally**

July 27, 2011

Fueled by the overseas success of its newest Android smartphone, the Galaxy S II, South Korean handset maker Samsung Electronics may be on its way to the top slot in global smartphone sales, a researcher estimates.

Neil Mawson of Strategy Analytics suggested Samsung sold between 18 million and 21 million smartphones in the second quarter, compared with 20.3 million iPhones sold by U.S.-based Apple and 16.7 million devices by Finland's Nokia.

"Apple, Samsung and Nokia are in a close, three-way battle," Mawson told Bloomberg news. "Samsung's Android portfolio is selling strongly in most regions. Samsung and Apple will be at similar levels in smartphones by the end of the year."

The data show a boost for Samsung, who was locked behind its rivals in the first quarter, having sold just 10.8 million devices, Mawson told the news agency. It was in fourth place behind Nokia, Apple and Research In Motion. When factoring in all phone devices, the analyst said, Samsung could have a 20 percent share of global shipments this year compared with Nokia, which is looking to boost its sales with help from Microsoft's Windows Phone 7 operating system.

The Galaxy S II, successor to the popular device that has variants on all four major U.S. wireless carriers, sold about three million units in the first 55 days, according to reports not confirmed by the company. CNET UK reported the sales may be as high as five million. The phone was due to be released this month in the U.S., but no dates have been announced.

The first dual-core smartphone from Samsung, with a 1.2-gigahertz ARM Cortex-A9 processor, the smartphone has a 4.27-inch Super AMOLED display with one gigabyte of RAM and an eight-megapixel camera. It runs Android 2.3, Gingerbread. The Sprint Nextel version will be called the Samsung Within, while AT&T's model will be called the Attain, and on Verizon Wireless the Galaxy S II will be called the Function.

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