

This Week's Stories

Apple Manufacturer to Replace Some of Workforce with Robots

August 1, 2011

Foxconn, a company that manufacturer's parts used in Apple's iPhone and iPad, said it aims to replace workers with 1 million robots in the next three years, Xinhuanet reports.

The robots will be assigned simple tasks currently done by human workers, such as welding and assembling parts. Foxconn currently has 10,000 robots; in the next year, this number should jump to 300,000 and up to one million in the next three years. With the move, the company aims to cut labor expenses and improve efficiency, Foxconn CEO Terry Gou said at a workers' dance party on Friday.

Foxconn has a massive operation in China with about 1 million workers. The company caught the headlines after a string of suicides which prompted HP, Apple, Sony and other companies to launch an investigation into Foxconn's business practices.

More recently, an explosion in Foxconn's Chengdu plant in China left two people dead and 16 injured.

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Android Users Twice as Likely to See Malware than Six Months Ago

August 2, 2011

If you've got an Android you are 2.5 times more likely to encounter malware on the device today than six months ago, while mobile users have a 30 percent likelihood of clicking on a malicious link, according to a report released today from mobile security firm Lookout.

Those figures are based on detection rates from Lookout users on Android, but not the iPhone, however the rates are presumed to be about the same, according to Lookout.

"This number is likely so high because users on mobile devices often encounter threats targeting PCs--people read email, Facebook messages, text messages, and tweets on their phones just as they do on their PCs," the company says in its report, released on the eve of the Black Hat security conference here.

However, many Web-based threats such as phishing attacks do not discriminate based on platform, while

others, such as Websites containing browser exploits, are targeted at a specific operating system.

An estimated 500,000 people were affected by Android malware in the first half of this year, a period when apps infected with malware rose from 80 in January to more than 400 in June, according to the report, which focuses on Android and Apple's iOS. Lookout collects data from more than 700,000 Android and iPhone apps and 10 million Android devices around the globe, and offers free and fee-based versions of a security service for the open source Android platform, but not for iOS. While Apple vets every app before allowing it to be sold on the Apple App Store, the Android Market allows any app to be published but provides detailed information about what permissions the app has on a device.

Two of the most prevalent Android threats were DroidDream, which prompted Google to remove malware-infected apps that drop a Trojan on devices from the Android market in March and again in July, and GGTracker, according to the Lookout Mobile Threat Report. Authors of DroidDream released more than 80 unique apps with different malware variations that were designed to take control of a device. Typically, the malware distributors take legitimate apps and repackage them in the hopes that people will confuse them with the legitimate apps.

GGTracker is believed to be the first threat designed to steal money from Android users in the U.S. It signs up for premium text message subscription services without the user's knowledge and they are charged \$10 per service and as much as \$50 for multiple services. GGTracker also used new techniques to distribute the malware, including "malvertising" in which mobile ads direct users to a malicious site that automatically downloads malware when visited.

The report warns of another new type of attack that can happen when a legitimate application is published and updated to include malware once there is a large user base. Everyone who downloaded the app, which initially was benign, is infected when the app gets updated.

To stay safe, mobile users should only download apps from trusted sources, pay attention to the address of URLs they click on, and be on alert for unusual phone behavior that could signal an infection.

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Products & Services

Apple iPhone 5 Not Out 'Till October, Report Says

August 1, 2011

Apple's fifth-generation iPhone won't arrive until October, an anonymous source tells John Paczkowski in All Things Digital. That's one month later than the timeframe indicated in a slew of previous reports, which speculated that the next iPhone would arrive in late-September.

The source says that earlier reports stating that AT&T employees were forbid from taking vacations during the last two weeks of September because of the launch of the new iPhone are incorrect. AT&T workers may not be allowed vacation time during that period, but it has nothing to do with the iPhone, the source claims.

"I don't know why AT&T's calling for all hands on deck those weeks, but it's not for an iPhone launch," the source told Paczkowski.

Instead, the source says the next-gen iPhone — which will likely be called either iPhone 5 or iPhone 4S — will be available as of October. Additional sources say customers should expect it to arrive late in the month, not at the beginning.

This information corroborates information provide to us this weekend by a Verizon salesperson at a New York City location, who said we should not expect the next iPhone in September. He suggested that it was possible Apple would announce the device in September or before, but that it likely wouldn't be available for purchase immediately. The Verizon employee, who spoke in an off-the-record capacity, was not able to provide an exact launch date.

In terms of iPhone 5 technical specifications, rumors suggest the device will have a thinner, tear-shaped design; an edge-to-edge screen; a much faster A5 processor, the same CPU that powers the iPad 2; a dual mode GSM/CDMA Qualcomm chip (so one device can work on both Verizon and AT&T, among other carriers); and a higher resolution 8 megapixel camera.

news.yahoo.com

Are You Overpaying For Smartphone Data?

August 3, 2011

Most smartphone subscribers in the U.S. use far less data than they are allotted by their wireless provider, but data hogs, who are likely to bust through those caps, and frugal data nibblers know where to find the best deals.

It's only been a year since AT&T eliminated its all-you-can-eat mobile data plan and adopted a tiered offering instead. Earlier this summer, Verizon Wireless also ditched its unlimited data plan for a "usage-based" plan. And just last week, AT&T said it would "throttle," or slow, connections on subscribers with unlimited plans if they exceed the 2GB threshold.

The elimination of all-you-can-eat options and the addition of "throttling" on some unlimited data plans has confused and angered many smartphone users. These customers worry that their occasional Netflix-viewing or Pandora-music streaming will lead to massive overage charges or a hobbled data service.

But the reality is that most consumers don't need unlimited data. And even the current 2GB caps offered separately by AT&T and Verizon are still far more than most people need. Usage information collected from more than 47,000 smartphone customer bills between June 2010 and July 2011 and compiled by Validas, a company that analyzes cell phone bills for consumers, supports this notion.

Not only do the Validas findings show that most smartphone subscribers are using only a fraction of their mobile data service each month, but it also shows that Sprint Nextel, the only major operator still offering an unlimited data plan, is attracting data gluttons, while T-Mobile is catering to more frugal data dieters with the cheapest data plan on the market: \$10 for 200MB of data per month.

"In general, almost all smartphone users across all four major carriers are not even close to exceeding the 2GB usage caps," said Dylan Breslin-Barnhart, head of marketing for Validas. "But we can project from the information we've analyzed that people who are planning to be heavy data users will naturally migrate to Sprint, which has unlimited data."

Overpaying and underusing

When Verizon Wireless introduced its new smartphone data pricing in July, it called the plan "usage-based" billing. But the way these plans are structured, Verizon subscribers on average are only using 20 percent of the data that they are paying for. According to Validas, the average smartphone

customer consumed about 394.2MB of data per month. Verizon's lowest cost plan is \$30 a month and offers 2GB of data per month.

Some AT&T subscribers are also paying for data they don't need, even though the carrier offers a cheaper alternative for customers who don't want or need 2GB of data. For \$15 a month, subscribers can get 200MB of data. The 2GB plan costs \$25 a month. Still, the average AT&T smartphone customer uses about 425MB of data per month, which is about 21 percent of the 2GB offering. But that is more than double the 200MB lower tier, which means many customers likely still end up in plans that offer more than what they need.

While customers are clearly over-subscribing to data service, Charlie Golvin, an analyst with Forrester Research, says that most customers are fine with this. He said that people are willing to pay more for data that they don't use so that they don't have to worry about overage penalties.

"Most people are OK with paying a little more for data they aren't using provided they don't get any nasty surprises," he said. "Customers who are price sensitive will walk with their feet and go to T-Mobile, which only charges \$10 a month for data."

Data hogs and nibblers

Indeed, this is exactly what Validas's data indicates. Sprint and T-Mobile appear to be catering more to the extremes in the market. Customers who are likely pushing up against the 2GB data caps are likely to subscribe to Sprint's unlimited plan. And consumers on a budget will gravitate toward T-Mobile.

According to Validas, the average smartphone subscriber on Sprint Nextel uses about 778.8MB worth of data a month, which is nearly double the usage of an average AT&T smartphone user that consumes about 425MB of data and a Verizon Wireless smartphone subscriber who uses 394.2 MB. While an average Sprint customer would still only use about 39 percent of a service capped at 2GB, it's clear that the unlimited data plan and the speedy 4G network is attracting more data hungry users.

Meanwhile, the average monthly usage on T-Mobile's network was slightly lower than AT&T's and Verizon's network, but the median usage was about a third of AT&T's usage and about half of Verizon's median usage. On average T-Mobile subscribers used about 303.9 MB of data per month, but the median in terms of usage was only 51.4 MB. This means that while there are likely some heavy data users on T-Mobile's network, there is a large percentage of smartphone customers using very little data.

But the challenges for these smaller players are mounting. And there's a good chance that heavy data users and those looking for the cheapest deal in data, will soon have fewer options.

As CNET has previously reported, Sprint may soon be forced to eliminate its unlimited data plan because it won't be able to keep up with growth from attracting the heaviest data users. And T-Mobile, which has long catered to value-oriented customers, has become an acquisition target because it hasn't been able to grow subscribers or profits, even with its cut throat pricing. AT&T announced its plans to acquire T-Mobile for \$39 billion in March. The deal is expected to close early next year.

Price-sensitive smartphone customers will still have AT&T's \$15 a month plan if the AT&T/T-Mobile deal is completed. Mark Siegel, a spokesman for AT&T, said he couldn't comment on whether the company would continue to offer the \$10 plan after the merger, but he said the company is committed to offering a less expensive tier to appeal to price conscious subscribers.

"We introduced the tiered pricing over a year ago because customers told us they wanted something other than a one-size-fits-all plan," Siegel said. "And it's been a great success, offering people who wouldn't ordinarily have been interested in a smartphone, the chance to buy one."

As for the small percentage of super-data users, Recon Analytics' Entner said that even if Sprint is forced to dump its unlimited data plan, the average smartphone subscriber won't have to worry about exceeding the 2GB caps for at least another year or two. But he acknowledged the data hogs will suffer.

"They'll have to pay," he said. "And the free ride will be over."

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Emerging Technology

Adobe Quietly Surrenders to Steve Jobs, Builds Flash Alternative

August 1, 2011

Thanks to a new Flash alternative released Monday, Adobe software will finally be compatible with Apple's mobile devices. Adobe Edge is a new HTML5-powered design tool that the company says will complement its existing suite of web software, including the famously not iPhone-friendly Flash

software. In its press release announcing the release, Adobe talks at length about the power of HTML5 and their continued contributions to building products that cater to the new web standard. But except for a tiny mention of compatibility with Apple's mobile operating system, they leave out the fact that they're doing exactly what Steve Jobs told them to do a little over a year ago.

HTML5 has been all the rage in the developer world for a while now. Now seven years in the making, the web programming language was always meant to be a more powerful and more open web standard. Not many people outside of the coder community knew about HTML5 until April 2010 when Steve Jobs explained on Apple's website why his company's mobile devices didn't support Adobe's Flash animation software. Jobs links Flash to the "PC era," noting how the future mobile-centric world would be based on "low power devices, touch interfaces and open web standards--all areas where Flash falls short." He continues with a pretty upfront recommendation to Adobe's executives: "New open standards created in the mobile era, such as HTML5, will win on mobile devices (and PCs too). Perhaps Adobe should focus more on creating great HTML5 tools for the future, and less on criticizing Apple for leaving the past behind."

Well, Adobe listened. Though they only offer three letters to acknowledge that their new software will work on iPhones and iPads--a quick mention of "iOS" in the list of compatible systems--the company's explanation for building the new design software sounds almost like an agreeing reply to Steve Jobs' blog post.

"Over the last year Adobe has delivered on several significant HTML5 milestones," said Adobe vice president Paul Gubbay in a press release Monday announcing Adobe Edge's first public release. "Now, with Adobe Edge, we're taking our HTML5 tooling to a whole new level and look forward to getting some really useful feedback from the community over the next few months, as we refine the product."

Edge is billed as another weapon in Adobe's design arsenal, one that doesn't quite replace Flash. So it would be premature to talk about the new product launch as a Flash-killer. Nevertheless, *Fast Company's* Kit Eaton says that Jobs "started a cold war with Adobe" by keeping Flash off of his mobile devices and, if anything, this latest release shows how he's winning. Gizmodo's Kat Hannaford concedes and calls Edge the beginning of the end for Flash. "[Edge] has great potential and it will take over Flash for simple to medium projects," says Hannaford. "However, I wouldn't be surprised if this kills Flash forever in the long run."

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iCloud.com Goes Live, Prices Revealed

August 2, 2011

Apple's iCloud.com website has gone live, allowing developers to test out the online version of MobileMe's replacement.

At the same time, beta versions of the iWork suite for iOS and iPhoto have also been made available. And inevitably, many details have already leaked to the web.

iCloud is Apple's new "sync" service. When you create or edit a photo or document on your iPhone, iPad, Mac or Windows PC, it is automatically pushed to any other device you have chosen.

Thus, you can snap photos on your iPhone and have them ready to edit on your iPad in seconds, along with a safe backup on your home Mac.

The iCloud.com site is the online home for your data. There's a calendar, an address book, a mail web app, access to the Find My iPhone service and a new section called "iWork." These all look a lot like their iOS counterparts, right down to the icons.

This is no surprise, as even the awful MobileMe used a very iPad-like interface for its Mail web app. Most interesting are the online versions of Pages, Numbers and Keynote. Posted screenshots show that there is no editing or even viewing functionality yet. Visitors are told instead to launch the apps on their iOS device and switch on iCloud.

Perhaps there will never be a way to view your documents on the web, or maybe it will be added before the official launch. Right now there doesn't seem to be any way to view your photos at iCloud.com.

Windows users needn't feel left out, either. Also available is the iCloud Control Panel for Windows (beta 3), which lets you configure iCloud on the PC. Photo Stream, contacts and calendars are supported, and presumably iWork documents might somehow be wrangled to open on the PC, too.

Cloud backup is also working in devices running the latest iOS 5 beta. You can choose to back up your camera roll (photos actually taken with the device), accounts, documents and settings to iCloud automatically whenever the iDevice is plugged in to power.

This is essential for anyone using an iPad as their main machine, and not tied to a computer with

iTunes. iCloud is free, and comes with 5GB storage. You can also pay for more. \$20 per year will buy you 10GB storage, \$40 will get you 20GB and for \$100 you will get 50GB.

But before you rush out and spend the extra, remember that iCloud's storage quota doesn't include your photos, your iTunes music, your apps or your purchased books. In fact, 5GB looks like more than enough for most people. Extra storage can be purchased from within the iCloud settings app on your iOS device.

The iCloud service will launch to the public along with iOS 5, sometime in September.

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Mergers & Acquisitions

T-Mobile MVNO, IDT, Comes Out Against AT&T's Acquisition of T-Mobile

August 5, 2011

IDT, a mobile virtual network operator partner of T-Mobile USA, has formally filed comments with the Federal Communications Commission that oppose AT&T's (NYSE:T) \$39 billion pending acquisition of T-Mobile. IDT vice chairman James Courter said in the filing that "the merger would cause excessive consolidation in the mobile services marketplace and make it impossible for smaller, entrepreneurial companies such as IDT to compete."

IDT is one of several MVNOs that launched during the past decade to target the growing demographic of Hispanic mobile users. It offers pre-paid service under the TuYo brand. Courter said in the filing that AT&T's purchase of T-Mobile could jeopardize IDT's GSM resale deal with T-Mobile because it would "create two super-companies that would dominate the market to the detriment of low-income people who rely upon the availability of low-cost resellers such as TuYo Mobile. AT&T has not committed to making wholesale spectrum available to MVNOs in its application to acquire T-Mobile, and AT&T does not have a favorable track record in providing wholesale access to its spectrum."

The filing also noted that the AT&T/T-Mobile merger would take one of only two GSM-based networks in the U.S. out of the wholesale game.

IDT has accused T-Mobile of anti-competitive behavior in the past, alleging that T-Mobile threatened to cut off service to third-party retail outlets if they didn't stop selling TuYo Mobile services.

www.fiercewireless.com

Industry Reports

Fujitsu: Tablets Will Soon Overtake Consumer PCs

August 2, 2011

For a number of reasons, sales of tablets such as Apple's iPad will soon overtake personal computers and laptops/notebooks.

That's the view of Dr Joseph Reger, Fujitsu's chief technology officer. And now some are expecting others to share his view as well.

Dr. Reger thinks tablet sales are going to almost cannibalize consumer desktop and notebook sales, simply because the average person wants to consume content more than they want to create it with a keyboard and mouse.

And Reger does cite the overall success of the iPad as evidence of this new trend that's developing rapidly. He is convinced that the disadvantages of the PC will help ensure that tablet devices sales will largely surpass PC/notebook sales for consumers in 2016 or less.

Reger added that it's possible that Amazon could bring out a tablet costing just \$299 or less and that consumers could buy two of them for the price of a desktop. They would no longer need to go to a special room in the house where the desktop PC is located, with tablets just left lying around and fetched whenever you needed to use one.

What all of this means is that the whole consumer PC ecosystem is going to go more or less away and die. The Intel chips, Seagate or Western Digital hard drives, BIOS and motherboards and PC application software are all going to fade away and become as useless as your collection of vinyl music albums, relic technology looked on with fond and exasperated remembrance.

However, Reger was quick to point out that businesses will still need PCs and notebooks because a lot of content creation goes on, with masses of reports and PowerPoint presentations and accounting spreadsheets being created and updated every day.

For its part, Fujitsu will soon offer a stylus-driven Windows tablet and an Android one, using simpler hardware. Reger says app availability is crucial to tablet success, and suppliers will need app stores--lots of them.

Apple is killing the desktop consumer franchise created by Microsoft, and – if Reger is right – currently being lost by none other than Steve Ballmer.

For Intel, Atom is absolutely crucial. Atom has to succeed to keep Intel in the many homes from which ARM is in the process of ejecting Intel. But it seems consumers would rather play with their iPad 2 than their Windows PC at the breakfast table, so we will see how this new trend develops itself in the coming months.

And although the tablet has made a deep impact in the PC industry, only time will tell if Reger is right and we are at the beginning of the end of the consumer desktop/notebook era. But we agree with Reger-- businesses and Fortune 500 companies will still be buying lots of PCs and desktops in the coming years to continue to create all that vital content and to make their businesses run smoothly.

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