



# COMMUNICATIONS Business Daily

Covering the Convergence of the Voice, Video and Data Industries.

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## Today

■ **HANDELED DISPLAYS** must not only match TV pictures under all conditions but meet many more harsh requirements, says chief Motorola display engineer. (P. 1)

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■ **O2 MOBILE TV** trial underway in U.K. Spectrum allocation, digital rights management, other problems remain. (P. 3)

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■ **NETWORKS:** Qualcomm MediaFLO launch could come months after it's promised... Bernstein revises upward projections for cable VoIP growth at expense of Bells... UBS lowers projections for SBC, Verizon IPTV uptake... ZTE to build WiMAX network in Serbia. (P. 6)

## Handheld Displays Must Equal TV Picture, Do Much More, Says Motorola Engineer

SAN FRANCISCO -- Convergence has pushed cellphone and other handhelds toward color displays and raised the quality bar, said Bo Polak, Motorola's principal staff display engineer. Monochrome displays competed only with those on calculators - the only b&w displays users remembered well -- Polak said on a panel at the Display Technology & Supply Chain Investment Conference here. But TV images have established expectations for brightness, contrast, resolution and color, he said. And, in fact, Motorola product meets and sometimes exceeds the TV standard, he said.

But that's just the beginning of the tough requirements for handheld displays. Unlike TVs, they must produce a good picture on both sunny ski slopes and vehicle interiors at night, Polak said. They also should operate as touch screens. They should allow for speakers and be as small and have as few leads as possible. High-speed serial interface helps reduce the number of leads, he said. And they should be inexpensive, because most of the action is at the market's low end, Polak said.

Technologies to pursue are advanced LCD, such as polysilicon, including system-on-glass, and high-brightness LED; OLEDs, which Polak said "have some manufacturing issues" but draw people "like moths to a flame"; plastic, for one-time conformable displays; and bistable, or very low power, displays, he said. As for 3D, "Lord knows, Sharp is trying to shove that down everyone's throat," Polak said. But it has worked only in Japan, where the proper content has been produced, he said.

Cutting power consumption is one thing, but enabling device use without running a light extends battery use much longer, said Qualcomm Business Development Vp Mark Jerger. Both are central objectives of Qualcomm's reflective iMoD technology, he said.

"The technology challenges are solvable," said Jim Fontaine, CEO of Microtune, which makes mobile TV tuners. Tuner and demodulator power consumption has been addressed and it remains a problem only with displays, he said.

But cellphone makers want to slash to \$10 or less by 2007 the cost of everything needed for broadcast TV reception in handhelds -- tuner, demodulator, rejection filter and any additional filter -- Fontaine said. And they want that halved to \$5 by 2008, he said.

Today's mobile video offerings, which proffer bursts and downloadable data, such as V Cast and MobiTV, are helping to pave the way for full mobile broadcast by acclimating consumers to mobile video while whetting their appetites for services over greater bandwidth, Fontaine said.

Mobile broadcasting will start at \$15 monthly but -- in volume -- can make money at \$4-\$5, said Fontaine. "It's pretty much unknown what those services will be in 4 or 5 years" but Fontaine expressed confidence "smart people" will sort that out. -- *Louis Trager*

## Overall Telecom Down

### **VC Funding Remain Flat in Wireless, but Experts Expert Growth**

Despite a huge increase in venture capital investments generally -- about \$10.6 billion this year, according to the National Venture Capital Assn. -- many still fear to tread in the telecom sector, which got about 12% of the total invested. Industry sources told *Communications Business Daily* investments in wireless remain flat, but there's a new buzz among VCs about the industry. They told us VCs will invest more in wireless in response to the increase in consumer demand for the technology.

"Large telcos are going after quad play, and so mobile is a high growth opportunity for VCs not only in the U.S. but globally," said Laura Merling, exec. dir. of SDForum, a nonprofit Silicon Valley information and networking group. "If you think about where the real money is, its mobile. You can't go out and run lines in 3<sup>rd</sup> world companies and so a lot of it has to do with the mobile factor, which is where the growth opportunity really exists."

There's been no surge in funding wireless -- but there has been no falloff of the kind that other telecom segments have seen. In 1998, 47 wireless companies received funding; 56 in 1999; 88 in 2000; 60 in 2001; 50 in 2002; 60 in 2003; 55 in 2004; and this year, about 30 so far. Experts said the dollars show a similar pattern.

For telecom overall, since 2000 when the sector had some 670 companies receive \$23 billion in VC funding, there has been a steady decline in investments. Last year 211 companies received \$2.6 billion in funding, down from 2003 when 245 received \$3 billion, according to Venture Source. This year the numbers are running the same. Through June, 24 companies received \$1.3 billion.

Experts said VCs shied away from telecom after a flood of money invested in telecom equipment in the 1990s went down the drain. "As the market dried up overall, carriers stopping buying from start ups and went back to buying from Nortel, Cisco, Nokia and Ericsson," Sharon Wienbar, managing dir. of Bank of America's VC arm, BA Venture Partners, told us. "So start-ups who thought they would get a contract from an SBC or a Verizon were used by the carriers to get the bigger companies to drop their prices."

Other experts said telcos already have a huge infrastructure, as do large vendors such as Cisco, and do huge amounts of R&D themselves. “They do this especially in the area of consumer products, and that’s traditionally not been a space that venture capitalism like to play in,” said Mark Jensen, a partner and national director of Deloitte & Touche’s venture capital services group: “They are difficult markets to penetrate as a start-up.”

Wienbar, whose company invested in 3 wireless companies last year, said the growth in mobile phone sales has driven investments in the sector. “In many parts of the world mobile phones are the platform of choice, not computers. There’s a broader secular growth pattern to wireless than there is in traditional telecom,” she said. “Also with wireless there are multiple different parts in the value chain, where start ups can sell things and that’s also attractive to venture capitalists.”

VCs said particularly attractive in telecom are items that have end-user demand. BA Venture Partners said last year it funded Glu Mobile, a company that provides games downloadable to mobiles, an area that has been exploding. Another recipient is Good Technologies, a wireless e-mail company that competes with RIM’s BlackBerry, and mBlox, which enables mobile marketing and mobile content sales. “We did three companies in one year, all of which were about end-user demand and data services on their phone whether for fun on business,” Wienbar said: “We haven’t done any in wireless this year, but we’re still looking.”

Some experts said China has been critical in attracting VC money, and some companies lose out on funding because they’re not focused enough on that market. “Most VCs will tell you China is the world’s standard of retail costs, so if you’re not in China, you’re basically going to be road kill in the industry,” Deloitte’s Jensen said. “You’ve got a lot of people in telecom, especially in VC industry, very focused on China. Not only on the market in China but also using it as a way to manufacture a product which is being developed.”

Others said the U.S. has been attracting its share of VCs lately. Vodafone for example is starting a new VC fund, Merling told us. And DoCoMo Capital is a new NTT DoCoMo fund launched in July. -- *Denise Lugo*

## Spectrum Not Allocated

### Problems Remain for Mobile TV as O2's Oxford Trial Starts

The U.K.’s first trial of mobile TV will take place in Oxford the next 6 months, but the medium’s success in the U.K. is far from assured, industry observers said. O2, Nokia and Arqiva (previously N.L. Broadcast) teamed with terrestrial and satellite TV broadcasters on the trial, but nationwide rollout of mobile TV requires regulators to license new spectrum, said Dave Williams, O2 chief technology officer.

New spectrum will bring global economies, Williams said, but other problems exist. Broadcasters and publishers need to tackle digital rights issues and operators need to develop workable revenue-sharing partnerships, he said.

Many people like the idea of mobile TV, but that’s not enough, said Ovum analyst John Delaney: “These trials won’t tell O2 whether or not people like mobile TV enough to buy an expensive new phone that can receive it, and to pay regularly to watch it.” Equipment vendors cite “willingness to pay” surveys showing people will pay up to €10 monthly, “but we generally view such surveys skeptically. It’s one thing to say that you’re willing to pay; it’s quite another thing to actually pay,” he said.

Besides aggregating content and operating the trial service, Arqiva is providing the DVB-H transmitter network that will cover a 120 sq. km area around Oxford. O2 customers in the trial don’t have to pay to watch TV, but all voice and data calls will be billed under their existing plans, O2 said. Some 400 customers will be given Nokia’s 7710 handset with a DVB-H chip adapter, O2 said.

Arqiva arranged the 16-channel lineup offered to trial users. The programming arose from company research on what's desirable in mobile TV, said Hyacinth Nwana, managing dir. The lineup includes BBC One, BBC 2, BBC News 24, ITV1, ITV2, Channel 4 and Channel 5, providing a core of mainstream channels, coupled with programs from British Eurosport, Cartoon Network, Discovery Channel, MTV, ShortsTV, SkyNews, Sky Sports News and Sky Travel. The trial will study mobile TV as a mass market introduction, and more specifically scalability, consumer experience, content mix and consumer choice, Nwana said. -- *Esther Surden*

### 'No Change in Estimate'

## Katrina Accelerates BellSouth's Deployment of Next-Generation Technology

Market experts said a silver lining for BellSouth may be that the hurricane will accelerate its deployment of next-generation technology, as competition from cable heats up. "Given that the company is forced to replace its legacy network with some technology, it accelerated its deployment of next generation technology and gives them a better network than they had before," said Bernstein & Co. analyst Jeff Halpern: "But I wouldn't go so far as to say it gives them a better network than what the cable companies can build."

BellSouth said Hurricane Katrina means it will replace irreparable copper outside plant with fiber. In addition, the company will partially replace its switch network with facilities that will enable its transformation from narrowband to broadband. "Where there's an opportunity to upgrade this network relative to broadband we will, where it makes pragmatic sense to simply recover what is there because it is not severely damaged, we'll be doing some of that too," BellSouth CEO Duane Ackerman told Goldman Sachs analysts at a conference in N.Y.

Analysts had predicted BellSouth would switch to fiber in the aftermath of the hurricane, speculating that the company could move to rebuild with the most optimum systems available. They said New Orleans, as a result, may be the most technologically advanced city in the telecom sector. Other experts said building with fiber was the only solution. "There are no standards to do it with WiMAX and no spectrum available yet, so WiMAX is not a technology that is ready for commercial deployment," said Halpern. "WiMAX is not a technology that's going to support [the] long-term kind of broadband range that consumers are going to demand."

Ackerman told analysts its outside plants were under water and sustained considerable damage, especially in New Orleans: "This is a case where you had an enormous number of homes and businesses that stayed under water, the plant's been under water, we're just getting in there now to get an assessment of exactly what the outside plant situation is."

Ackerman said since its switches are on the 2<sup>nd</sup> floor and above, they're in relatively good shape. But some battery strings, rectifiers, electrical equipment and frames got wet. "Most of that will be either replaced or restored. In the case of the frames, they'll be recoverable and so the network inside new Orleans looks to us in a large degree to be recoverable," he said: "When I refer to the network, I'm talking about the switches and the links between the switches and the interoffice facilities."

Ackerman said the company had no change in its \$400-\$600 million estimate of repair and restoration expenses and capital outlays: "A great deal of that is going to be outside plants. There will be some central office costs in there as we deal with these... power issues." — *Denise Lugo*

## COWs on Tap

### Wireless Industry Applying Katrina Lessons to Rita

The wireless industry last week used lessons learned from Hurricane Katrina to prepare for Hurricane Rita's weekend arrival, sources said. Besides COWs (cell sites on wheels), COLTs (Cell sites On Light Trucks), generators and other standard storm preparations, carriers added precautions "in light of just having gone through this exercise in New Orleans," a CTIA spokesman said.

The most significant are extended trunking precautions, the CTIA spokesman said. Katrina's worst collateral impact on wireless carriers was loss of connectivity to landline switching offices that left them unable to route traffic, he said. By picking offices likeliest to be hit and preemptively devising rerouting plans, the industry hopes it has enabled seamless redirection of traffic to alternative switches. A like strategy is in place for local PSAPs, he said.

"Diligent planning pays dividends and saves lives," said T-Mobile Senior Vp-Engineering Operations Neville Ray: "We prepare extremely hard locally and nationally throughout the year to respond to significant events. The result of which, in a snapshot, was realized when T-Mobile was the first wireless carrier to offer service throughout the hardest hit areas in New Orleans."

T-Mobile said it moved microwave equipment into the Tex. and La. Gulf Coast region to facilitate data communication from cell sites to T-Mobile's network switches, as backup, if T1 fixed line service fails. To guard its core network, the carrier fortified network switch operations serving the Houston market and continued to strengthen its switch in New Orleans, which stayed up through Hurricane Katrina.

T-Mobile also moved its disaster recovery team closer to the area likely to be hit hardest to restore service to cell sites struck by the storm as soon as possible. The carrier has dozens of generators and several cells-on-wheels on standby, it said. Tankers holding more than 10,000 gallons of fuel are ready to roll to affected areas to power cell site generators if power outages are widespread, T-Mobile said.

Sprint Nextel, still in the midst of merger integration, expects to build on its experience with Katrina as it prepares to face Rita, a spokesman said. "Katrina was the first time the merged company responded to a disaster of that magnitude," he said: "This is going to be a 2nd time. We'll be able to build on what we accomplished the first time and will hopefully be able to react even better. Part of it is knowing about technology, but also about the process." Sprint, which operates a CDMA network, has merged with iDEN-based Nextel.

Sprint Nextel said it positioned backup generators and personnel in strategic locations in Tex. Gulf Coast areas. Mike Karageorge, vp-Sprint consumer solutions in Tex., said the firm's efforts to restore service disrupted by Katrina will "not be curtailed by this latest hurricane development."

Cingular set up its primary emergency response staging area in San Antonio, with network equipment and personnel on stand by, a spokeswoman said. It also has "a forward staging area in Grimes County, closer to the area where landfall is expected," she said: "Network preparations include the staging of more than 220 portable generators, some 80 mobile COW units, or cell sites on wheels, and several hundred technicians, engineers and support staff in and around the region. Our mobile switching centers in the impacted area have permanent backup generators, as do many cell sites."

Carriers have moved all personnel out of "primary strike zones," the CTIA spokesman said. They're working with city authorities on PSAP issues and securing the area for post-storm repairs. In New Orleans, "we had to rescue employees," he said: "We had people who were shot at."

An NTIA source said a "coordinated federal response" includes efforts to keep communications up and running. He said the govt. will be assigning spectrum, which usually falls under the purview of the NTIA. He said the govt. has been "in contact with public broadcasters" affected by the storm to assess the damages they've sustained. -- *Susan Polyakova, Ian Martinez*

## Networks

Qualcomm's MediaFLO mobile TV broadcasting -- which the firm has insisted will launch Oct. 2006 -- won't be available commercially for 12-18 months, Qualcomm Business Development Vp Mark Jerger said late last week. He didn't explain the timing when he spoke on a panel at the Display Technology & Supply Chain Investment Conference in San Francisco. The Qualcomm timetable has been viewed skeptically; its technical specification hasn't been ratified and its 700 MHz spectrum is crowded with UHF TV stations. -- *LT*

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Bernstein Research said it expects VoIP, led by cable, to capture a major slice of the wireline phone market more quickly than it had previously predicted. The main factor behind the higher than expected uptake is price, with consumers sometimes able to cut 60% off their bills. In 2005, Bernstein said, it's projecting 1.8 million net additions by the MSOs, compared to an earlier estimate of 1.2 million. In 2006, Bernstein is projecting 3.5 million net adds, compared to earlier projection of 2.3 million. Long term, the analyst firm said it expects this growth rate to slow quickly and is sticking with earlier projections. "Cable VoIP deployments and the CLEC retreat should be largely completed by 2007, while the price gap between cable VoIP and traditional Bell circuit-switched service will likely narrow, especially on a 'triple-play' bundled basis," the report said. "By 2010, we now expect penetration to reach 19% of homes passed, compared to 17% previously."

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UBS reduced its projection of short-term IPTV uptake for SBC and Verizon, but left its long-range forecast largely unchanged. UBS said in a report Fri. it expects Verizon to have 20,000 TV subscribers by year-end, compared to earlier estimates of 90,000. UBS still expects the Bell to secure 345,000 subscribers before 2007. UBS also cut projections for SBC, saying it now expects it to provide fiber to the node (FTTN) service to 6 million homes by the end of next year, down from an earlier 8 million home projection. UBS said it expects SBC to have a base of 140,000 subscribers, down from an earlier estimate of 290,000. But UBS was positive on the outlook for Verizon's trial market of Keller, Tex. "We believe Verizon will see rapid adoption of its video product in Keller for a number of reasons," UBS said. "Management stated that its FiOS data service has penetrated 30% of Keller's households. The city's web site indicates there are 11,300 households in Keller, equating to roughly 3,390 subscribers after 16 months of service. Given (1) the ease of the video installation in homes that already have FiOS data service, (2) the high marks the company has garnered on the data product and (3) the value proposition inherent in the video offering, we believe video take rates among this group will be high." UBS said another positive for Verizon is that cable operator Charter, which serves the area, doesn't offer voice service there, making Verizon first in the market with a "triple play" offering.

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ZTE was picked to build a WiMAX system in Serbia, the Chinese telecom vendor said Fri. ZTE said Serbia will see its first European deployment for WiMAX, but it already has projects in Asia and Africa. Also last week, ZTE said it will deploy similar equipment in Pakistan. "ZTE will provide VeratNet with a nationwide WiMAX network which is due for completion by June 2007, serving almost 10 million subscribers with wireless broadband," ZTE said. "In Jan. 2006, the first phase of the deployment will be complete offering wireless broadband access to business subscribers in Serbia's capital, Belgrade."

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Ericsson won a contract from Israel's Partner Communications as a supplier for its 3G network expansion and upgrade to HSDPA.

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Finding the right 3G business model will reap substantial rewards for carriers, according to Research and Markets, and those who don't will hit "big pitfalls." The proliferation of TV and video trials and the di-

verse carrier approaches to marketing, pricing, options and the growing number of players from outside the wireless industry have made finding the right approach to 3G especially important, the analyst firm said. The company's latest report focused on broadcast capacity, the impact of dedicated networks for mobile TV and video, and the role of 3<sup>rd</sup> parties in 3G.

## User Devices

Palm is the subject of a class action suit claiming its Treo 600 and 650 “suffered from extremely poor sound quality and buzzing, choppiness, speakerphone problems, poor and broken screens, phone crashes, software crashes and electrical surges.” The suit was filed in Cal. Superior Court, Santa Clara County, by 3 Palm owners on behalf of all owners. The complaint said “when Palm replaced phones in response to these problems, they replicated the problems by providing consumers refurbished phones subject to identical issues.” The suit claims Palm concealed material facts from owners, including that Treos fail at “unacceptably high rates, are inherently defective and are not reliable storage devices or mobile phones.” HTC, which manufactures the Treo for Palm, wasn't named in the suit. Meanwhile, the Treo 650 is available for use on Vodafone's Spain network, the company said.

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Qualcomm and Sky Link signed a deal to bring BREW services to Sky Link customers in Russia. The services will run on the carrier's CDMA2000 network, Qualcomm said.

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Nokia said it opened its first 3G mobile services development center in Taiwan. The center will focus on developing 3G mobile contents and services, Nokia said.

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Qualcomm said its Mobile Station Modem chipsets will support the Philips WLAN module. The integrated solution will offer connectivity to 802.11b and 802.11g WLAN networks plus existing cellular networks on CDMA2000 and WCDMA. Qualcomm said it initially will support the WLAN solution on its MSM6550 chipset by the end of 2005. The WLAN technology will offer support for VoIP, voice calls with simultaneous data transfer and other data intensive applications, Qualcomm said.

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Cisco sold its 6 millionth VoIP phone, as Australian Bank Westpac took delivery, the company said. More than 300,000 Cisco VoIP phones have been sold in Australia, the firm said.

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Novatel Wireless began shipping the fixed/wireless convergence device Ovation MCU1200. The standalone desktop console unifies wireless wide area networking, wireless local area network and circuit switched cellular voice. The Conversa software suite supports wireless broadband access to the Internet, e-mail, corporate networks and virtual private networking. Multiple devices, including landline phones, desktop PCs or laptops, fax machines and other WLAN enabled peripheral devices, can connect to the device. Conversa enables voice calling from landline or cordless phones using voice over GSM circuit switch, providing an alternative to landline phone service, the company said.

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SmartTrust's SmartManage FOTA product saves operators the cost of recalling handsets by identifying needed firmware upgrades and delivering them over the air to handsets, the firm said. A typical recall and handset replacement costs \$145 per unit, SmartTrust said. Remote over-the-air firmware updates let operators “dramatically reduce support costs,” the firm said. SmartTrust has been very active, reporting a partnership with F-Secure and saying Cingular picked it to support activation of 3G service subscriptions via its primary over-the-air technology.

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Samsung and Sprint introduced a clamshell device with a push to talk feature via Sprint PCS Ready Link, the firms said. Designed for in-field real estate agents, construction workers and sales professionals, the device is

described as a compact, powerful wireless phone weighing 3.24 oz. The phone features synchronized vibration so users can identify callers with individual ring tones, plus spoken menu navigation, Web access via Sprint PCS Vison and voice SMS messaging so instant messages can be sent to as many as 10 people at once. Sprint said the device costs \$199, \$49.99 after rebate.

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AirLink Communications said its wireless intelligent modems for EDGE networks use Siemens' quadruple band MC75 EDGE module. The devices let businesses monitor and control fixed and mobile assets, the company said. AirLink's Raven Ethernet product, an intelligent network appliance, functions like a wireless cable or DSL modem, the company said. The product can function as a wireless alternative for primary and backup router connections where cable and DSL options are too costly, AirLink said. The Raven E already is certified on Sprint's CDMA 1X and iDEN networks, Verizon Wireless's CDMA 1x network, Bell mobility CDMA 1X and Cingular's GPRS/EDGE network, AirLink said.

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The Register reports British retailer Dixons will launch a cut rate VoIP service next week. The service, "FreeTalk," is described as almost identical to service offered by Vonage. *The Register* says Dixons will undercut Vonage's £9.99 monthly charge with a £6.99 charge or £79.99 yearly.

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Materna U.S. said it can offer carriers in the U.S. the ability to turn SMS messages into voice, letting them deliver text messages to phones that aren't text enabled. The service already is being used in Europe, the company said.

## Company News

Motorola profits will rise as Verizon and other customers expand TV offerings, Oppenheimer & Co. analyst Lawrence Harris wrote in an investor note. TV service sold by telecom firms will begin having "a meaningful impact" at Motorola starting in the 2<sup>nd</sup> half of 2006, he said. Motorola also may benefit as Sprint Nextel capital spending rises in coming years. "Earnings growth over the next several years" will be "solid," said Harris, who recommends buying Motorola stock.

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XE Mobile and Brightpoint announced an agreement for integrated logistics services, including inventory management, product fulfillment and distribution, reverse logistics, and product customization services provided by Brightpoint. XE said the partnership will improve its distribution channels.

## Financials

For PalmOne's fiscal first-quarter ended Sept. 2, net income was \$18.2 million (35¢) a share, down from \$19.6 million (38¢) from a year earlier, the firm said. Excluding special items, PalmOne posted 41¢ profit a share, beating analyst estimates of 36¢. Palm said it is pleased with its Treo line's performance. The company shipped 470,000 Treo units for the quarter, up more than 160% from the same time last year. Nearly all its smartphone shipments were Treo 650s, which debuted in Oct. 2004, the firm said. For its next quarter, Palm projected \$435-440 million revenue and a gross margin of 30-30.5%. Operating expenses on a GAAP basis are expected to be \$100-102 million. Using non-GAAP accounting, operating expenses will be \$97-\$99 million, the company predicted.

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Standard & Poor's placed Alltel's A long-term and A-1 short-term ratings on CreditWatch with developing implications after the firm said it's assessing options for its wireline business. S&P said since Alltel didn't give specifics, the effects of any strategic repositioning or capital structure changes on its overall credit

profile are unclear. S&P said it will affirm Alltel's ratings if transactions improve the company's ability to meet the ratings agency's maximum 1.5x debt to EBITDA target by the end of 2006, and lessen exposure to the mature wireline segment.

## International

China Telecom and China Netcom, the 2 largest fixed-line operators in China, got approval from the Ministry of Information Industry (MII) to test PC-to-phone VoIP telephony, according to an article in *China Information Industry*, an official MII publication. China Telecom's Shenzhen and Shangrao branches will serve Guangdong and Jiangxi provinces; China Netcom's services will be tested in Jilin and Shandong provinces. While telephone-to-telephone VoIP services mainly through prepaid cards are already widespread in China -- and dominated by China Telecom, China Netcom, China Mobile, China Unicom, Railcom and Satcom -- there has been no other licensing for PC-to-phone VoIP services, and Internet telephony like SkypeOut is illegal. The attempt to keep a grip on VoIP was illustrated by blocking of Skype recently reported by Chinese news media and online forums. China's telcos, according to some analysts, fear competition from VoIP. Chinese mobile providers also plan to launch VoIP services, with China Unicom announcing plans to work on a MobileVoIP solution with BridgePort Networks. -- ME

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Two European airlines will allow passengers to make personal mobile calls starting late next year, running a service provided by Geneva-based OnAir, the company said Fri. Both TAP Air Portugal and Britain's BMI will carry OnAir service in 3-month trial runs, during which passengers can use their own handsets in flight. OnAir CEO George Cooper told the AP the tests would be small at first, probably on 2 or 3 single-aisle planes. Cooper said passengers will be allowed to turn their phones on after the plane reaches 10,000 feet, when other electronic devices are permitted.

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Taiwanese manufacturer BenQ will begin using its own logo on the Siemens phones it acquired starting in spring 2007, it announced Fri. BenQ acquired the German manufacturer's handset division in June (CBD June 8 p3), pledging to turn around a unit that was losing money. Though BenQ has the right to use Siemens' logo 5 years, company Mktg. Dir. Jerry Wang said it will use the brand only for 18 months in "countries where BenQ is not yet known."

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Telecom Italia's (TI) international carrier Sparkle signed an agreement with Indonesia's PT Tlekomunkasi, the country's largest ISP, to "spread VoIP and technological know-how services," according to a TI a statement Fri. Both carriers are upgrading their VoIP capabilities, and the agreement allows interconnection for mobile phones and prepaid mobile cards.

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Argentinian America Movil subsidiary CTI announced it will expand its GSM network, using Nortel infrastructure for its new deployments. The company began its current expansion in late 2004, and "phase 2" to 136 base stations this year is under way. For next year's wave, Nortel will provide CTI GSM access equipment and other wireless network services for its EDGE technology.

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Calypso Wireless collaborated with Italian telecom Sleipner SA on a VoIP over Wi-Fi (VoWi-Fi) demo using a GSM-GPRS device, the companies said. U.S.-based Calypso said in Europe Sleipner will market a Calypso phone that will let users switch automatically between their cellphone service and short-range broadband networks like cable broadband or DSL with Wi-Fi.

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German manufacturer Siemens won a tender to upgrade Czech telecom Ceske, the companies said. The tender, worth about \$1 million, was awarded to Siemens over Cisco and will allow Cesky to offer high-speed triple-play services.

## Telecom Transitions

Fastmobile changes: **John Hoffman** ex-Roamware, becomes CEO, replacing **Kang Lee**, who becomes pres.-COO; **Joe Woods**, ex-Motorola, becomes exec. vp-sales & mktg...

## CBD Calendar

- Sept. 26-29 SmartPhone Summit, W Hotel, San Francisco -- [www.smartphonesummit.com/](http://www.smartphonesummit.com/)
- Sept. 26-29 Mobile Billing Systems conference, Intercontinental Hotel, Geneva -- [www.iir-conferences.com/site/\\_confcode.cfm?DirName=CG2214&ConfCode=CG2214&iv=23](http://www.iir-conferences.com/site/_confcode.cfm?DirName=CG2214&ConfCode=CG2214&iv=23)
- Sept. 26-30 3GSM World Congress Asia, Suntec International Convention Centre, Singapore -- [www.3gsmasia.com/](http://www.3gsmasia.com/)
- Sept. 26 Smartphone Summit 2005 hosts "Smartphone Enterprise Solutions" conference, W Hotel, San Francisco -- [www.SmartPhoneSummit.com](http://www.SmartPhoneSummit.com)
- Sept. 26 IHollywood Forum Mobile Entertainment Summit, Nob Hill Masonic Center, San Francisco -- [www.ihollywoodforum.com/](http://www.ihollywoodforum.com/)
- Sept. 27 CTIA, "Security and Mobile Devices" 1-5 p.m., Moscone West Convention Center, San Francisco -- [www.wirelessit.com](http://www.wirelessit.com)
- Sept. 28 Effective date of FCC VoIP customer lockout order, extended from Aug. 30 -- [hraunfoss.fcc.gov/edocs\\_public/attachmatch/DA-05-2358A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/DA-05-2358A1.pdf)
- Sept. 29 Center for Communications Management Information regulatory roundtable with Andy Regitsky, 2-3:30 p.m. -- [www.ccmi.com/conferences/regulatory](http://www.ccmi.com/conferences/regulatory)

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