Web Apps on My Mind

The Internet, wireless applications likely focus of CTIA 2001

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from the March 19, 2001 issue of *Broadband Week*

Talk to wireless executives as they approach their industry's largest U.S. trade show and you'll find out that the biggest trend in wireless is a stiff upper lip.

Starting tomorrow, behemoths and small fry alike gather in Las Vegas to show their wares and talk wireless at CTIA Global Wireless 2001, organized by the Cellular Telecommunications & Internet Association. But don't look for frank business talk on the dais. Faced with slowing growth and layoffs, fearful discussions of business realities will be relegated to casino corners and cocktail lounges.

This time around, the Internet will be central to the issues swirling around this year's CTIA. "The next generation of wireless, the next generation of the Internet and how they come together-that's what we'll be talking about," says CTIA President Thomas Wheeler. From third-generation networks, to additional spectrum needs, to new devices and services, the Internet is proving to be the main driver fueling wireless innovation today.

Planned keynote dialogs with Wheeler are split evenly between traditional wireless players and the computer industry's heavy-hitters: wireless represented by Ericsson President Kurt Hellstrom, Nokia chairman and CEO Jorma Ollila, and Voicestream Wireless chairman, director & CEO (and CTIA chairman) John Stanton; while Microsoft Corp. president & CEO Steve Ballmer, Intel's president & CEO Craig Barrett, and Michael Dell, Dell Computer chairman are set to bring in the computing industry's perspective.

Internet talk is likely to focus less on speed or bandwidth, and more on applications this year--or more specifically, the lack thereof of such applications. Although 3G hits Japan and Europe this year, the U.S. won't see new, high-speed, high-capacity networks until at least 2003. Some industry-watchers say it will likely be even longer than that. K-P Wilska, president of Nokia Inc. (Americas), for example, advises wireless providers to not to wait for 3G's ultra-high speeds and capacity to launch value-added, Web-based services. "The technology is there," he says, "but we need good commercial applications."

Ericsson has already moved in that preemptive direction, working with third-party developers to create new applications for the 2.5G technology called GPRS (for GSM) used primarily throughout Europe, says Lars Nilsson, Ericsson manager of strategic marketing.

"Carriers are spending a ton of money on licenses and infrastructure and they're not necessarily thinking about applications," adds Intel spokesman Daniel Francisco. He says Intel CEO Barrett will propose developing hardware and software in parallel, so that applications and devices reach the market simultaneously. Driving the computing side separately from voice using a reprogrammable microprocessor as well as Intel's Personal Client Architecture as a standard interface should also speed the process, predicts Francisco.

"The market is open until 3G," says Randy Roberson, CEO of Tantivy Communications Inc. Melbourne, Fla., which will demonstrate its 368 Kbps network overlay for portable broadband

services at the show. Roberson believes attractive services are already here--like the granddaddy of them all, e-mail. "Don't get hung up on standards, just do it," he says.

For computer maker Dell, the message will likely be, don't invest in new networks until standards are in place, an oft-repeated mantra of the computer industry, says Jon Weisblatt, manager of chairman's communications for Dell. Multiple air interfaces and device standards are poised to become real barriers to both subscribers sharing information and in the development of new services.

In other matters, most experts agree that 2001 is not the year for location-based services in the U.S., despite the FCC's October E-911 deadline. Analysts recommend looking to 2002 or 2003 instead.

But 2001 may be the year for Bluetooth, says Ericsson's Nilsson. Device manufacturers have announced product for launch later this year. In Europe, a Bluetooth-enabled headset is currently available and Ericsson's newest phone has a Bluetooth port built in.

CTIA watchers should also look for new devices to make the scene, particularly consumer lifestyle products like phones equipped with an AM/FM radio or MP3 player, says Verizon Wireless spokesperson Andrea Linskey. Verizon is launching 2.5G services this year (CDMA's 1XRTT) and will demo the 10-times-faster new technology at the show.

Even the wet blanket of the across-the-board business slowdown doesn't shake the confidence of Intel's Francisco, who points to projections showing that phone sales could reach 500 million phones next year as proof of a maturing computer industry. Further proof can be seen in Nokia's touting of a U.S. expansion via its infrastructure and Internet businesses, and a $1 billion contract with AT&T Wireless.

While announcing that it plans to outsource its phone manufacturing, Ericsson is raising some eyebrows and buzz at this year's show. But what's rough for the big boys may prove advantageous for some of the smaller frys. Cupertino, Calif.-based Pixo Inc. is one of those "small fry" firms looking to capitalize. They develop handset platforms and applications and will be looking to hook up with a number of Asian phone manufacturers, who handle most outsourcing and are open to working with third-party developers, says Rich Rifredi, vice president of marketing. Ericsson has outsourced with several partners, so Pixo's market may be poised to grow if they can forge deals with some of the new outsource partners.

Newcomer Tantivy is in a similar situation. With 3G networks and applications further delayed, carriers large and small are signing up for field trials of Tantivy's broadband product as an alternative, and an international announcement is planned within the month. Plus, CEO Roberson says that he's been getting calls from experienced, laid-off labor. "It feels pretty good," he says.