

Exhibit 3

Canada Gets First PPV Mobile Movie Service

Bell Canada this week became the first Canadian mobile operator to offer full-length pay-per-view movies direct to capable mobile phones. The service is available through the company's Bell Mobility service.

The new Mobile Movies service, powered by **mSpot**, streams the films directly to a subscriber's cell phone over the Bell wireless high-speed network. Before using the service for the first time, customers need to download the interactive movie software client. Available through the phone's menu, the interactive application can be used to browse through trailers, plot summaries and other movie info before choosing a title to download.

Like most video players, the Mobile Movies software has DVD-like playback controls so viewers can pause, fast-forward and rewind the movies. They can also exit the movie at any point and resume watching from where they left off, a handy feature for folks watching the flick while commuting or waiting in a queue.

"leveraging technology to enhance our content"

Initial studios making movies available include **Disney's Buena Vista** and **Sony Pictures**. Titles range from classics to new releases in a number of genres such as action, comedy, drama and horror.

"Our alliance with Bell is Disney's first mobile agreement for full-length movies outside of the US, and demonstrates our focus on leveraging technology to enhance our content and bring it to consumers in innovative, flexible new ways," said Orest Olijnyk, senior VP and managing director, The Walt Disney Company Canada.

The first phones to support Mobile Movies are: **Samsung** a920, a900 and m500; **Sanyo** 7500 and **LG** 550. Additional movie-capable phones are expected later in the year.

Mobile Movies from Bell start at \$5.99 (Canadian), plus a subscription to Unlimited Mobile Browser service or any Fun Bundle. Users can watch a movie an unlimited number of times within a rental period, which ranges from 24 hours to a week depending on the title. Selecting "My Movies" on the navigation bar lets users confirm movie status and see how long until their rental expires.

mSpot launched a similar pay-per-view full-length movie service in the US with **Sprint** in September.

"Where Content Meets Technology"

Watch Out Apple! Omnifone Launches Low-cost, Worldwide All-You-Can-Eat Mobile Music Service

Works on 75% of Existing Mobile Phones

Omnifone used the 3GSM World Congress to directly challenge **Apple** by launching its MusicStation mobile music download service, which the company says will work with some 75% of existing mobile phones – no PC required.

MusicStation allows downloads both directly to mobile handsets over the wireless carrier's network and to PCs over the Net. It calls the service a next-generation "all-you-can-eat (AYCE)" full-track (not just ringtones) mobile music service.

Omnifone says it already has deals with "the world's major music labels" but did not say who they were other than **Universal Music Group**. It expects to have a million tracks available at launch.

The company says it's signed up 23 mobile network operators who have subscribers in 40 countries and a total customer base of 690 million subscribers.

Directly challenging **Apple**, Omnifone CEO Rob Lewis said MusicStation will give the vast majority of Europeans "the freedom to choose MusicStation by the time iPhone arrives in Europe."

According to Omnifone, after Robin Bloor, partner at **Hurwitz & Associates**, founder of **Bloor**

Research and co-author of "Service Oriented Architecture for Dummies," reviewed MusicStation, he said that Omnifone has a great opportunity because "Apple is doing exclusive deals with carriers and leaving others out in the cold." He said Apple isn't willing to share its iTunes revenue with the carriers and it has only one expensive device that is highly priced.

Bloor acknowledged that Apple will get some market share, but not more than 5% "even in its wildest dreams," he said. MusicStation provides a music service that carriers may find necessary to compete with Apple, he said, otherwise the carriers will be left to fight over the low-margin, price-sensitive phone business.

a music service that carriers may find necessary to compete with Apple

Plans & Rates

UK Users will pay their mobile phone service £1.99 a week to access the service on their industry-standard handsets. Subscribers in other parts of Europe will pay €2.99 per week.

A premium service will offer unlimited music downloads to a subscriber's mobile handset and PC or Mac for £2.99 per week in the UK and €3.99 per week on the Continent. All charges include 2.5G or 3G data.

continued on page two

Omnifone: *continued from page ONE*

That comes to somewhere in the area of £8.62 a month - £103 for a year - for the mobile handset service and £12.87 a month - £155 a year - for the combined mobile and PC download service.

Omnifone's Lewis said that MusicStation is intended for the hundreds of millions of mobile phone users worldwide "who want a simple, easy-to-use digital music experience."

Users will be able to search for, download and play music on their mobile handset, PC or Mac plus create, manage and share playlists and tracks with the MusicStation community. They'll also be able to see the latest music news.

Functions including music downloads take place in the background while music is being played.

MusicStation's Weekly Rates		
Service	Mobile only	Mobile and PC
UK	£1.99 (\$3.90)	£2.99
Europe	€2.99 (\$5.87)	€3.99
All rates include 2.5G or 3G data charges.		
It's compatible with Java and Symbian.		

"MusicStation will give users of any music-capable handset the ability to access, download and enjoy legally an unlimited amount of music, from a global music catalog supported by the music industry, all for a small weekly fee, wherever they are," Lewis said.

MusicStation, which took four years to develop, includes content from major labels, plus independent music labels and aggregators in each country.

The service runs on **Musiwave's** end-to-end mobile music platform.

Rob Wells, senior VP of digital for Universal Music Group International called MusicStation "one of the most consumer friendly and secure platforms we have seen."

23 Mobile Operators Sign Up

Vodafone partner **Vodacom** in South Africa and Scandinavia's **Telenor** will be the first to rollout the service.

Omnifone said that four more major carriers will launch in Western Europe and Asia-Pacific in the second quarter.

Lewis called MusicStation "operator-centric, handset-agnostic" and said it works with carriers' existing billing systems.

Orange and **Vodafone** are expected to be the first to offer MusicStation in the UK.

No mention was made of any deals with a US carrier such as **Verizon**, **Sprint** or **T-Mobile**. Apple has already signed up AT&T.

"The objections from operators start crumbling pretty quickly when we say, 'why don't you just offer it on handsets of the 11 million customers you have that aren't using your music service,'" Lewis said.

The company said its mobile phone service partners have operations in Australia, Belgium, Czech Republic, France, Germany, Greece, Hong Kong, Hungary, Ireland, Italy, Netherlands, New Zealand, Philippines, Poland, Portugal, Romania, Singapore, South Africa, Spain, Sweden, Turkey and UK. Korea, Canada and the US were not listed.

"What we will offer is an easy-to-use, secure service," said Lewis. "We have very good relationships with the major record labels. We also have good relationships with mobile phone operators and we expect this service to be available on more than one network. You will have unlimited storage, as we will download your favorite tracks."

Taking a Cut at Apple

"We believe we can give Apple a run for its money in digital music provision," said Lewis. "The consumer experience of using MusicStation has much in common with that of an iPod, except that with MusicStation users don't need a credit card, computer or broadband connection and can still download and enjoy the world's music, all the time."

A major difference with Apple's iPhone service, according to Omnifone, is that MusicStation downloads its music over-the-air (OTA) across the mobile operator's data network. That, the company said, gives users instant access to new music at any time, irrespective of their location. And, no PC is needed.

"Our goal is that all the major European territories will have at least one operator offering MusicStation by the time of the iPhone launch in November," Lewis said.

MusicStation works with both 3G and 2.5G, with 2.5G subscribers getting over-the-air downloads for the first time. Handsets will require a software upgrade before using MusicStation.

- Omnifone is counting on several things to give it an edge on Apple:
- No new phone needed. It works with existing 2.5G and 3G handsets.
- No PC needed. Users download over the wireless operator's network.
- No credit card needed. Music purchases get added to the user's mobile phone statement.
- Personalization allows subscribers to get news and information about new releases, ticket sales and concert listings on their handset. "They also get suggestions on their playing behavior such as artists' tracks and playlists that are likely to be relevant to them," said Lewis.

According to Omnifone, the service will be well on its way to full European coverage by the arrival of the iPhone, which Apple has said would be at year-end.

Lewis said, "We will launch this in the UK over the summer and 75% of phones will be able to take it. Apple will not deliver its iPhone in the UK until later in the year, and then only in small numbers."

Lewis said the number of handsets that can access MusicStation will be many times the number of iPhones that can access iTunes.

Apple has publicly announced only one deal with a carrier - **AT&T**, the US' largest mobile phone service. It hasn't announced any deals with any carriers outside the US although the UK's **Car phone Warehouse**, which recently bought **AOL UK**, has said it wants to sell iPhones.

Apple said it intends to sell 10 million iPhones in 2008.

Omnifone: *continued on page THREE*

Time Warner Cable Goes Public, Baseball Team Sold to Liberty Media

In a somewhat circuitous route, **Time Warner Cable**, the second-largest cable TV operator in the US, has been partially spun out and will begin trading on the **New York Stock Exchange** as early as March 1. In July the financially troubled cableco **Adelphia** sold the majority of its cable properties to **Comcast**, the largest cableco, and **Time Warner** for some \$17 billion - about \$12.5 billion in cash and a 16% interest (156 million shares) in Time Warner Cable.

Under Adelphia's Chapter 11 bankruptcy plan, most of the Time Warner Cable shares will be distributed to Adelphia stockholders who will be able to trade the shares on the Exchange.

Time Warner says it won't sell any of the 84% it now owns in Time Warner Cable because of tax liabilities, at least not at this point. Time Warner Cable has fared well financially because of its growth in broadband, digital television and, most recently, digital telephone service.

Braves and Craft Magazines Go to Liberty

Separately Time Warner, after over a year of negotiations, sold off the Atlanta Braves **Major League Baseball** team to **Liberty Media**, which also got \$1 billion in cash and certain Time publications as part of the transaction. To make the baseball franchise saleable, Time Warner had cut back the team's payroll, causing the Braves to not win their division race last year for the first time in 15 years.

Liberty Media paid over one-third of the shares it owned in Time Warner - 60 million of its 171 million shares. That reduces Liberty Media's ownership of Time Warner from 4% to 2.6%. Liberty also got *Leisure Arts*, Time's craft magazines, which are valued at \$22 million.

Ted Turner bought (in 1976 for \$12 million) and used the Atlanta Braves to help build up **Turner Enterprises**, another example of sports being used to build a media empire. The company's WTBS (nee WTCG) TV station was the first to use cable TV to air a baseball team's games nationwide - an unthinkable and almost daily intrusion into the geographical markets of other baseball teams.

He also started and built up **CNN** and other cable TV networks plus acquired several then seemingly worthless libraries of classic Hollywood films. Turner then sold it all to Time Warner, making him one of the world's wealthiest men. Unfortunately, then-Time Warner chairman Gerald Levin talked Turner and other Time Warner shareholders into merging with **AOL**. The result was that the value of the shares that Turner held plummeted, costing him billions.

Liberty Media, which some weeks back acquired control of **DirecTV** from **News Corp** (why own a satellite TV service when you can use the Net to deliver your entertainment?), also acquired this week a TV station from **CBS** as part of a \$170 million stock buyback by CBS.

The media scene - it is "a changing" and the Internet is sure to force more disruptions.

Bellrock Buys Moderati

Bellrock Media, which develops premium digital "platform-conscious" entertainment content, has acquired mobile content provider **Moderati**. The combination creates what the companies say is one of the first fully integrated mobile and broadband entertainment providers offering its wares in both the US and Japan.

The newly enlarged Bellrock develops best-of-breed, branded and co-owned entertainment and, thanks to the addition of Moderati, boasts a larger catalog of content and services. Moderati also brought with it a number of distribution relationships, technology infrastructure and the ability to easily deploy content to mobile carriers.

Bellrock owns, develops and distributes "original platform-conscious digital entertainment products blended with innovative brand marketing strategies." Moderati, founded as a subsidiary of content service provider **Faith Inc**, provides Modtones ringtones as well as mobile social entertainment services.

Moderati's management team, led by Carolynne Schloeder, will remain with the merged company in its San Francisco office.

"Bringing Moderati and its management team under the Bellrock umbrella gives us tremendous credibility and a mature platform from which to execute in the US mobile market," said Bellrock president Peter Levin. "This acquisition accelerates our growth timeline domestically and gets us up to speed with our Japanese operation, which is firing on all cylinders."

Terms of the acquisition were not disclosed.

Omnifone: continued from page TWO

On the Other Hand

What Lewis did not say, of course, is that the iPhone is no iPod. The iPhone is like a handheld computer with a full-blown browser and can be used for, among other things, instant messaging. It can also be used for viewing videos. In short, MusicStation is a service - it's like having iTunes on a mobile handset. iPhone is a product - it's more like a smartphone for consumers.

Also, MusicStation subscribers cannot copy tracks from CDs to their handsets.

Like some of the online music streaming services, once MusicStation subscribers stop paying the fee, they can no longer access the music they've downloaded. Their collection is stored on the network, but everything they've downloaded can no longer be played.

Some Details

- MusicStation tracks are in Enhanced Advanced Audio Coding (eAAC+) format.
- The DRM is industrial strength, according to Omnifone. If a handset is lost or stolen, the downloaded tracks and user playlists aren't and the user can download them again to the replacement phone.
- **Mobiltron Asia Pacific** will pre-install MusicStation on new handsets in Europe and Asia.
- Details of who gets what share of the revenue were not announced. Lewis said the music labels would get the biggest share, followed by the operators, with artists receiving royalties based on the frequency that their tracks are played.

APPLE SLICES

iTunes Adds 'Rambo' to Catalog

Apple's iTunes recently picked up Lionsgate's movies.

"The iTunes Store is by far the most popular online movie store in the world," said Apple's iTunes VP Eddy Cue. "We're thrilled to be adding this phenomenal collection of Lionsgate titles from Hollywood's leading independent studio, including such blockbusters as 'Terminator 2.'"

iTunes customers will be able to purchase blockbuster Lionsgate films like "Terminator 2," "LA Story" and "Basic Instinct," with more than 150 titles coming to iTunes this month from the film company.

*Hollywood's leading
independent studio*

In the coming weeks, more movies will become available, such as "Total Recall," "Rambo," "Monster's Ball" and "Chaplin."

With the addition of the movies from Lionsgate, iTunes now offers over 400 movies. It has sold over 1.3 million movies downloads.

Most of the movies are priced at \$9.99 each.

Lionsgate is the second movie studio after Disney to offer movies for download from iTunes.

Anime Comes to iTunes

FUNimation Entertainment, which distributed Japanese animation (anime) content in the US, will release some of its top-rated anime series to Apple's iTunes store.

Some of the anime series available to iTunes users include "Desert Punk," "Speed Grapher" and Akira Kurosawa's "Samurai 7." They are priced at \$1.99 per episode.

"Our anime series will be the first offered on iTunes and will expose a wider audience to the unique storytelling and graceful animation inherent in this Japanese style of entertainment," said FUNimation president and CEO Gen Fukunaga. "This is a great opportunity to offer our top-rated anime series through the world's most popular online music, TV and movie store."

Report: Apple May Go All Solid-state Memory

Not much leaks out of Apple and what does is usually only what Apple wants leaked.

The latest rumor is that Apple may use NAND flash memory (also called solid state memory) instead of hard drives in its next versions of video iPods, according to a report from Prudential Equity Group analyst Jesse Tortora. The next models, Tortora said, are expected to have wider touch screens à la the iPhone, built-in Wi-Fi so users can transfer videos to and from the upcoming Apple TV box, and GPS technology.

Following the article we did last week on the emergence of flash memory as a replacement for hard disks in devices needing fast access and high capacity have come reports that Apple is indeed considering using flash instead of hard drives in upcoming versions of its video iPods.

Tortora expects Apple to choose 32GB flash memory for the next iPod.

Current video iPods come in 30GB and 80GB models.

Flash Takes the Cake

Upcoming 1.8-inch hard disks for mobile devices will have much more storage - up to 120GB of capacity, but with the same disadvantages as ever.

In short, flash takes less space, uses less power, has no moving parts to wear or go bad and is much more resilient to heat and jolts. However, on a cost-per-megabyte basis, flash has been too pricey when large capacities are needed.

It's estimated that the cost of solid state flash memory may have declined as much as 60% over the last year due to technological innovations, more efficient manufacturing and increased quantities. There's also lots of fierce competition that's driving costs down and storage capacities up.

Electronic Design estimates that the prices for NAND memory will fall again in 2007 before leveling out in 2008. It says the annual average price-per-megabyte decline from 2005 to 2010 is expected to be 52%. That would make a gigabyte cost less than \$1 in 2010.

Battery usage has been a major concern for Apple since the first iPod. Current hard disk technology limits iPods to about 3.5 hours of video playback time. Using flash memory would increase that up to 5.5 hours, Tortora said.

The iPod Nano and Shuffle models already use flash memory. That helps Apple to keep their look slim and sleek, a major attraction for buyers.

Battery usage

The decision may come down to capacity versus such things as sleekness, time between battery recharge, durability and lack of moving parts.

Increased Volumes, Improved Technology

Switching Apple to an all solid-state product line for iPods would certainly give the solid-state memory industry enormous volumes. Also, many laptops are expected to begin using solid-state memory to make start-up times quicker, a move that the memory-hungry Windows Vista has accelerated.

Tortora estimates that Apple uses about 50% of all the 1.8-inch hard drives made. Needless to say, if Apple were to go completely solid state it would have a major negative impact on hard disk makers - possible a decline of as many as 20 million units in 2008 according to Tortora.

Lurking on the edge of using solid-state memory are the outfits that make storage for servers - the likes of EMC, HP, Dell and Texas Memory that make RAID storage for large corporates. Were they even to begin to switch to solid state, volumes would accelerate. Memory prices might spike in the short term as demand outpaces production, but as more manufacturing comes online, memory prices would resume declining.

Apple & GPS

Tortora said the addition of GPS functionality would help position the iPod as the central hub for all digital content in automobiles.

BROADBAND BEAT

Cox Rolls Out Quad-Play/Single-Play Services in Two Markets

Cox, as has been widely expected, this week began selling mobile phone service – initially in Arizona and San Diego. Called Mobile Access and operated by Cox and Sprint, it’s bundled in with digital pay-TV, broadband and digital telephone services. Mobile Access allows Cox customers to integrate their Cox home phone, digital cable and high-speed Internet services with Sprint wireless service – a complete quad-play.

“The integration of wireless services into our offering brings convenience to our customers, simplifying their entertainment and communications experience,” said Cox VP of wireless services Stephen Bye. Cox and Sprint want to go beyond quadruple-play services and build an integrated suite of services – the so-called single play – from which subscribers cannot easily disentangle.

Quad Play’s Single Play

Some of the single-play and other functions that Cox is initially offering subscribers include:

- Watch live TV on their mobile phone - **ABC News Now**, **ESPN 3G** and **The Weather Channel**, plus view their local Cox TV listings.
- Access the Net and Cox e-mail with their mobile phone, join Web-based chat rooms and use instant messaging.
- Download full-length songs from Sprint’s Music Store.
- Play multi-player games.
- Send and receive Sprint Picture Mail.
- Receive free text alerts on the wireless phone every time a voice-mail is left at the Cox Digital Telephone home number.
- Place one call to receive home and wireless voicemails.
- Unlimited calls to and from a Cox Digital Telephone home number – no plan minutes.
- Free Home Forwarding allows customers to receive incoming wireless calls at their Cox Digital Telephone home number – no additional fees.
- One bill for all services.

“We think the future is all about having access to all of your content, all of your services from various access points,” David Grabert, director of media relations for Cox, said last December.

Goodness knows that modern man and woman can’t be separated from their e-mail and instant messaging for long. “The challenge of accessing their Cox e-mail when they are away from the computer is now simplified and accomplished with Mobile Access,” Bye said.

Cox, **Bright House Networks**, **Comcast** and **Time Warner Cable** have been working in a \$100 million venture with Sprint to develop the service. In every case the service is called “Mobile Access from Cox and Sprint” or “from Time Warner and Sprint” and so forth.

It would seem certain that the four cable companies in the Sprint venture will rollout their Mobile Access service throughout their footprint long before **AT&T** and **Verizon** will be able to sell their pay-TV service throughout their footprints.

Of course the two telcos can sell satellite TV service – **DirecTV** and **EchoStar** - but the margins on that are likely pretty slim. AT&T has attempted some service integration with EchoStar in the Homezone pay-TV service it sells to any residence that can get AT&T broadband. However, Verizon has done little to nothing to integrate its DirecTV service with its triple-play bundles.

Comcast is testing the service in Boston and Portland, Oregon. Comcast charges \$33 a month for Mobile Access. An additional \$15 per month gets a video service that provides short video clips and live programs that are formatted for mobile-phone screens.

Time Warner is test marketing Mobile Access in Raleigh and Austin.

As we went to press, we had been unable to find where or even if Bright House is testing Mobile Access. The guess here is that it’s a city in Florida, perhaps Tampa.

Company	Mobile Access Test Markets
Cox	Arizona, San Diego
Comcast	Portland, Oregon and Boston
Time Warner	Raleigh, North Carolina and Austin, Texas
Bright House	?

Just as it will become increasingly difficult for Cox and the other cable companies’ single-play subscribers to disentangle, it will also become increasingly difficult for Sprint and its cablecos partners to disentangle. As one songwriter said, “This could be the start of something big.”

The four cablecos and Sprint appear to have the jump on AT&T and Verizon when it comes to integrating their mobile phone service with the rest of their bundles. That’s despite the fact that Verizon and AT&T have been involved in operating successful mobile phone companies for a much longer period. Wouldn’t it be ironic if the cablecos beat the telcos to the punch?

The two telcos trail the cablecos in pay-TV. However, Verizon seems to be on target in rolling out its FiOS TV service. AT&T seems to have run into technical snags with its Uverse IPTV service and may be falling behind its schedule.

The entry of four major cablecos into the mobile phone business will put added pressure on the telcos, especially as the Cablecos integrate the various services.

BROADBAND BEAT

WiMAX – the Third Way

It increasingly looks like it'll be a mobile broadband world, as has been frequently reported here and other places. Expectations are that most first-world inhabitants and many second-world ones will be carrying a mobile device that has a constant or at least a frequent connection to the Net. They are expected to be using them more for entertainment and personal information than for business.

WiMAX looks like it's the leading technology for such a high-speed mobile broadband world for two reasons. It appears to offer the best of cellular technology – mobility – and the best of broadband – bandwidth. And, some of the world's largest technology companies are backing the development of WiMAX. That includes **Intel, Cisco, Samsung, Sprint, AT&T** and **Motorola**.

The WiMAX market seems to be developing at a rapid pace worldwide, not only in the States, Europe and a few Asian countries.

Sprint has been careful not to position its upcoming WiMAX network as a replacement for wired broadband. But, it could be a replacement. If the two US satellite TV services were to decide that WiMAX was the solution for broadband, they'd certainly price and market it as an alternative to wired broadband.

We excerpt some articles from this week's *Wireless Watch* to provide a snapshot on the progress in WiMAX:

India Testing WiMAX in Two Cities

Two unnamed Indian operators are testing WiMAX in the cities of Mumbai (nee Bombay) and Chennai, using systems developed by the **C-DoT Alcatel Research Center (CARC)**, a joint venture between the India Center for Development of Telematics and **Alcatel-Lucent**. The venture has created an 802.16e end-to-end system and is working on innovative consumer premises equipment (CPE) that could be priced as low as \$100 a unit. The aim is to help solve the last mile problems that prevent Internet connectivity in rural India and to achieve the Indian government's target of 20 million broadband connections by 2010.

Samsung Races Ahead for Sprint Deal

Samsung is expected to be the first to deploy a citywide WiMAX network for

Sprint, beating out Motorola and **Nokia** who are also in competition for the Sprint deal. Each vendor is building out one city before Sprint makes a final decision about how to divide the contract between the three. Samsung's first deployment includes Washington DC, Baltimore and northern Virginia where Samsung is currently testing network equipment and devices that are used for live mobile WiMAX calls, high-speed data access and video streaming. Commercial deployment is expected by year-end when Samsung will deliver six WiMAX-capable devices for the launch, including ultra-mobile PCs and personal media players.

Brazil

Brazil Telecom plans to launch a pilot WiMAX network in the first quarter of 2007. It'll be in Porto Alegre, which has a population of 1.4 million and about 120,000 broadband subscribers. Motorola forecast earlier that the WiMAX market in Brazil is likely to be valued at over \$100 million at the end of 2007.

India's Small ISPs Want WiMAX

Small Internet services providers in India have expressed strong concern that, amid the fervor for WiMAX in the country, all the spectrum and commercial business will fall into the hands of giants like **BSNL**, which is planning a rollout to about 80,000 villages. The Internet Service Providers Association of India (ISPAI) has applied to the Telecom Regulatory Authority for new rules that would help local ISPs gain WiMAX licenses and provide broadband services in rural areas and even set aside some spectrum specifically for this group.

'Achieving Universal Broadband'

The **Alliance for Public Technology (APT)** has released a new policy report entitled "Achieving Universal Broadband: Policies for Stimulating Deployment and Demand." It examines the current US universal service programs and the reforms APT thinks are needed to promote the deployment of and access to high-speed networks and services. The Alliance says it consulted with a "broad array of policy experts and representatives

from consumer, public interest, labor and industry groups." APT hopes this report will not only spark a re-evaluation of our nation's broadband programs but also the adoption of a comprehensive national policy promoting greater broadband deployment across our entire nation.

Bruce Mehlman, co-chairman of the **Internet Innovation Alliance** and former Assistant Secretary of the US Commerce Department for Technology Policy, endorsed the report, saying, "To maintain our competitive edge in innovation in the face of increasing global competition, it is imperative that policy makers support policies that remove regulatory barriers and encourage greater investment in the technologies of the future."

Virgin Media on the Rebound

Virgin Media (NTL-Telewest) until its acquisition of **Virgin Mobile** last year) is engaged in a fierce fight with the satellite TV service **BSkyB** for dominance in the UK market for quad-play services – home phone, pay-TV, mobile phone and broadband. Making the market more competitive, an asset- and customer-rich **BT** is in the process of joining the fray. And, **BT** already has the "wired" infrastructure with a physical connection to practically every UK residence.

At the top of Virgin Media's priority list, the company has been working to get its poorly run customer support operations functioning properly. In December 2005 the company brought in Steve Burch from the States as president and CEO. He's installed 19 new people in the company's top 20 executive positions. Burch is in the midst of adding some 700 employees to the company's customer support centers.

Prior to the jump across the pond, Burch had spent 17 years with **Comcast**, ending as president of the company's Atlantic division.

Burch, who is on a nationwide tour to meet Virgin Media's 14,500 employees, told the *Times of London*, "We have taken the company apart and built it into a new culture. I can't get [the staff] to provide the service that I believe the customer deserves unless I take care of them in the same way."

Rebound: continued on page SEVEN

THE online REPORTER

Where Content Meets Technology

Weekly news & strategic intelligence about
Mobile Media, Digital Consumer Technology, Digital Content, Broadband &
Wireless Networks

To receive **free copies** of the next four issues of
The Online Reporter for evaluation,
please send an e-mail to
paperboy@riderresearch.com
or register at
www.onlinereporter.com/trial_copies.php
or fax back this form to
1-225-769-7166 (the Americas)
+ 44 (0)1280 820554 (EMEA & AP)



Please send me 4 evaluation copies - no charge, no obligation.

Name _____

Job title _____

Organization _____

Address _____

E-mail _____

Telephone _____

BROADBAND BEAT

Rebound: continued from page SIX

Some Virgin Media Numbers

The company, despite its many successful attempts at shooting itself in the foot over the years, has some significant assets.

Service	Number of subscribers
Pay-TV	3.3 million
Broadband	3 million
Telephone	4.1 million
Virgin Mobile	4.5 million
Customers can take two services for £20 (\$39), three for £30 (\$59) or four for £40 (\$78).	
Average revenue per subscriber per month: £43 (\$84)	

Tough Quad-Play Competition in the UK

However, unlike the satellite TV services in the US, the BSKyB satellite TV service can also offer broadband. BT, the country's chief broadband service, is rolling out its own pay-TV service and cobbling together a mobile phone service as well. The result will be that UK consumers, unlike their US counterparts, will be able to select from four quadruple-play companies.

Additionally, thanks to UK laws that force BT to lease its wired infrastructure to third parties, companies such as **France Telecom's Orange**, **Carphone Warehouse**, **Tiscali** and others are also assembling multi-play bundles to sell.

The *Times of London* reports that Virgin Media wants to stretch its reach to the 12 million or so UK residencies that cannot currently get its pay-TV, broadband and telephone services. It says that Burch is in negotiations with BT, **Cable & Wireless** and Tiscali to supply a wholesale service that will allow Virgin Media to reach 97% of the UK population by the end of this year. "There's 12 million homes out there that we've never sold anything to, except Virgin Mobile," said Burch.

BSkyB's Quarterly Numbers as of December 31, 2006

	Broadband	Net Adds	Phone lines	Net adds	Pay TV	Net adds
BSkyB	193,000	149,000	223,000	28,000	8.4 million	183,000

Subsequently BSKyB has said it had 259,000 broadband subscribers at the end of January 2007 and expects to have 700,000 broadband customers by the end of June.

TeliaSonera to Test 3.6 Mbps Mobile Broadband

TeliaSonera Sweden is planning to launch High-Speed Packet Access (HSPA) technology, also called turbo 3G, this spring in parts of Stockholm and Gothenburg. The new technology will give customers wireless connections to the Internet at speeds up to 3.6 Mbps.

Customers wanting to try it will need a mobile handset or portable computer that is HSPA-enabled.

"More and more people want to access the Internet from any location and they would prefer to connect as quickly as they do from home or the office. Our wireless broadband services are very popular today and we are noticing that our customers have a growing need for faster wireless broadband. We are constantly evaluating technologies that can give our customers the best added value and we can now see that HSPA will be an excellent complement to our existing mobile network, which is in line with our ambition to offer our customers the best network and connectivity," said Håkan Dahlström, head of mobility services Sweden for TeliaSonera.

Prices were not given.

TeliaSonera currently offers speeds up to 384 Kbps on its mobile network in Sweden. The network is currently being built out and will cover 90% of the country's land area by the end of 2008.

BROADBAND BEAT

Broadband Scorecard 4Q06, Version 2.0

The phone companies continue to lose residential phone customers at an amazing rate, but are adding high-margin broadband subscribers, according to **Rider Research's** latest update to its Broadband Scorecard. The report appears after Digigrams in the Acrobat .pdf version and is attached to the HTML edition.

The following list provides broadband subscriber numbers for the companies that have reported their financials for the December quarter.

Company	Broadband Total (000)
Comcast	11,487
Deutsche Telekom	10,280
BT Wholesale	8,679
AT&T	8,529
Verizon	6,982
Time Warner Cable	6,644
Korean Telecom (KT)	6,353
BellSouth	3,632
BT Retail	3,219
NTT East (Japan)	2,879
NTT West(Japan)	2,606
Bell Canada	2,462
Qwest	2,138
EarthLink	1,886
Embarq	1,017
TeliaSonera (Sweden)	922
SingTel - Optus (Australia)	728
TeliaSonera (Finland)	412
SingTel (Singapore)	405
BSkyB	193
TeliaSonera (Norway)	172

Time Warner Cable and Comcast numbers include the subscribers they acquired from the bankrupt Adelphia.

BSkyB said that it had 259,000 broadband subscribers at the end of January 2007.

AT&T has completed its acquisition of BellSouth and BellSouth's numbers will be included in AT&T's in future quarters.

So far nine North American and eight Europe and Asian broadband service providers have announced their quarterly numbers. We'll update the chart each week until all the cows come home.

Report: 60m Broadband Homes in US by Year-end

US residences with a broadband connection surged 20% in 2006 to over 50 million, according to the **Parks Associates** report "Digital Lifestyles: 2007 Outlook."

By the end of 2007, more than 60 million US residences will have a broadband connection, the report says. That's 55% of all US households.

"The foundations of digital lifestyle applications and products are built on access services, including broadband Internet and television," said Kurt Scherf, VP and principal analyst with Parks Associates. "With the penetration of high-speed Internet exceeding 50% in 2007, we're also witnessing shifts in the way companies are positioning their communications, entertainment and information services as home technology solutions."

The report also finds that, in recent years, service providers have been partnering more closely with equipment vendors to strengthen the linkages between digital lifestyle services and the end-user products that enable them, including set-top boxes, home computers, home networks, gaming consoles and other fixed and portable consumer electronics devices.

"With the demarcation points in access services migrating closer to the customers, service providers can provide much more in the way of personalized and enhanced communications, entertainment, and information services," Scherf said. "A key trend is the tightening of the value chains that enable end-to-end and seamless services. These stronger linkages will lead to greater choice and convenience in the ways customers interact with digital lifestyle amenities."

ENABLING TECHNOLOGY

New AMD Mobile Chips: DVD-quality, HD Audio, 12-megapixel Phone Camera

AMD, which has given Intel all it can handle in microprocessors for PCs, wants a bigger piece of the booming mobile media world. This week it introduced some chips for cell phones that it says will provide DVD-quality video, HD audio and a 12-megapixel camera.

The new processors – called the AMD Imageon 2298, 2294 and 2192 media processors - will help makers of handheld devices get their products to market quickly and cost efficiently – and with all the latest digital media features, the company said.

“As mobile broadband networks continue to increase capacity and improve quality, the consumer appetite for sophisticated multimedia on the go is growing exponentially,” said Paul Dal Santo, VP and general manager of AMD’s handheld business. “We are bringing to fruition our vision of helping global OEMs and network operators truly delight their customers with incredibly realistic, immersive media-rich experiences.”

“Trends such as mass adoption of video sharing sites like YouTube, and the popularity of the phone as a personal camera, demonstrate that today’s consumers value the ability to access and create digital media anywhere,” said In-Stat principal analyst Michelle Abraham. “Network operators can take steps toward recouping the massive investments they have made in mobile 2.5G and 3G networks by offering consumers value-added services that leverage the additional bandwidth, such as video streaming, video telephony and mobile TV.”

AMD touts the Imageon 2298, 2294 and 2192 media processors as ushering in a new standard of mobile multimedia with DVD-quality video, image stabilization, high-resolution imaging, crystal clear audio and color-rich TV output display.

Consumers can enjoy multiple features simultaneously, such as listening to music while viewing photos. Specific features of the latest AMD Imageon media processors include:

- Up to 12-megapixel camera functions.
- DVD-quality video playback and

recording with stabilization for a “camcorder-like” experience.

-High-definition audio turns the phone into a portable music player.

-TV output allows viewing of videos and photos on any TV set or projector.

-Mobile TV capability for watching digital TV programs on the go.

-Video telephony with echo cancellation and image stabilization.

-Video transcoding converts to various video formats and adjusts frame rate for over-the-air video messaging.

-Error resiliency compensates for transmission errors to help provide seamless over-the-air video quality.

“consumers value the ability to access and create digital media anywhere”

AMD says the Imageon media processors allow makers of mobile devices to upgrade quickly to the latest multimedia technology because the media processor is separate from baseband (RF) functions. That means faster time to market, less power consumption for longer battery life, reduced design costs and eliminating unnecessary requalification of the baseband with each feature upgrade - saving time and money for manufacturers.

Separately AMD’s Dal Santo, a former manager at graphics chipmaker ATI, told Reuters that it may be 2009 before AMD sees the first results from its \$5.4 billion acquisition of ATI. Dal Santo did not provide any details on what products might result.

More than 200 million of the prior versions of AMD Imageon media processors have been shipped to mobile device manufacturers since 2003. AMD was the first to introduce hardware for 3D capabilities on the mobile phone.

In the fourth quarter of 2006 more than 10 new AMD-powered mobile phones and 3G smartphones were introduced by leading OEMs and network operators including AT&T, Chungwa Telecom, HTC, Motorola, O2 and Vodafone. AMD said mobile devices based on the new processors are expected to start shipping from OEMs worldwide by early next year.

HDMI, DisplayPort in Standards Battle for Connecting HD Gear

There’s a standards war in how high-definition devices such as TV sets, DVD players and PCs are connected, in addition to the wars in high-definition optical discs and home networking. This war is between proponents of HDMI, which comes out of the consumer electronics industry, and those that back DisplayPort, a PC industry generated standard.

HDMI has become the *de facto* standard for carrying high-definition audio and video between the TV set and a DVD, Blu-ray or HD DVD player as well as between the TV set, set-top box and home surround-sound systems. It’s one of the “check list” features that consumers use when buying an HDTV set.

HDMI Licensing, which licenses the high-definition multimedia interface (HDMI), this week said more than 50 PC products currently use the HDMI interface, including nearly two dozen desktop and notebook PCs. They come from such as Acer, BenQ, Dell’s Alienware division, HP, Samsung, Sony and Toshiba.

Notably Apple will use HDMI in its upcoming Apple TV set-top box, according to HDMI Licensing.

One Connector Cable for HD Video and Audio

One consumer-friendly feature of HDMI is that a single cable is used for both audio and video. That wire carries an uncompressed, all-digital audio and video signal between various home entertainment devices.

“With the widespread proliferation of PC products using HDMI connections in 2006 and 2007, HDMI is rapidly becoming the digital interface of choice for many PC users,” said Leslie Chard, president of HDMI Licensing.

The introduction of Windows Vista has accelerated the use of PCs for playing HD video. Vista PCs come with the ability to play HD content from a variety of sources

Gear: continued on page TEN

ENABLING TECHNOLOGY

Gear: *continued from page NINE*

such as built-in TV tuners, digital cable tuners and HD DVD and Blu-ray discs. HDMI Licensing says HDMI-enabled PCs are ideal for running Vista because HDMI is a familiar digital interface to consumers who recognize its ability to inter-operate with both HDMI and DVI displays.

The HDMI Licensing group said eight graphics card vendors, three monitors makers and two retail motherboard makers also support HDMI. That includes **ViewSonic**, **LG Electronics** and BenQ for monitors and **Asus**, **AMD's** newly acquired **ATI** operation and **Gigabyte** for graphics cards.

Copy Protection, Too

A benefit of HDMI for content owners is that it supports High-Definition Content Protection (HDCP). HDCP requires a compliant connection like HDMI for transmitting data from the optical disc player to the TV set or PC.

Simplay Labs, which is owned by **Silicon Image**, has authorized more than 125 products to use the Simplay HD logo, which indicates that these products have undergone testing related to the HDMI and HDCP specifications, as well as compatibility testing with other devices that have been Simplay HD verified.

DisplayPort

DisplayPort, which supports video but not audio, is expected to get a surge when the first chipsets for DisplayPort 1.1 become available. Dell, HP, **Intel**, **Lenovo** and Samsung said at CES last month that they support DisplayPort, which the **Video Electronics Standards Association** has defined.

DisplayPort reportedly has stronger copy protection than HDMI and greater bandwidth than the current version of HDMI. DisplayPort is also royalty-free.

105m TV Sets with HDMI

HDMI proponents say they have two major attractions for equipment makers – the installed base of HDMI-equipped devices and the ready availability of HDMI chipsets.

In-Stat says 105 million TV sets with an HDMI connector will ship by the end of

2008. It seems that almost every HDTV set has one or two HDMI connectors.

In November, In-Stat projected an estimated 63 million HDMI-enabled devices of all types were shipped worldwide in 2006 and that another 130 million such devices would be shipped in 2007.

“The ubiquity of the HDMI interface in high-definition consumer electronics products, and the compatibility with the huge installed base of HDMI and DVI products makes HDMI a natural choice for PC users and gives PC product makers the largest target market,” Chard said.

HDMI Licensing founders include **Hitachi**, **Panasonic**, **Philips**, Sony and Toshiba plus technology suppliers such as Silicon Image and **Thomson**.

Can Intel Possibly Control the Mobile Internet Device without Nokia's Help?

The following article comes from a story in the current edition of *Wireless Watch*. It has been edited to better meet the needs of *The Online Reporter* readership. For a trial issue of *Wireless Watch*, e-mail paperboy@riderresearch.com.

Microsoft and **Intel** need to ensure the emerging mobile Internet platform is based around technologies they control, which means approaches with their roots in the PC model, according to *Wireless Watch*.

While Microsoft's continued attachment to a Windows-only strategy could be a shackle for Intel, the pair will not be confident enough to weaken the “Wintel” alliance for years to come. However, Intel might be forced to distance itself from the company with the best opportunity to promote the PC-style, open and Wi-Fi-based mobile Internet device, **Nokia**. Nokia spotted this gap in the Wintel alliance early and launched its Internet Tablet.

But as a challenger for Microsoft's crown in the client architecture, there are conflicts for Intel to become too close to Nokia. Thus, the Internet Tablet may be set up as a competitor to Intel's Ultra-Mobile PC (UMPC)

architecture, even though the two giants could converge their efforts for an almost certain market domination.

Meanwhile, the growing conflicts of interest and Intel's need to sideline HSxPA as far as possible into the voice market may strain the main revenue-generating venture between the two companies for HSxPA laptop cards.

HSxPA, by the way, is a 3G technology that combines High Speed Downlink Packet Access (HSDPA) and High Speed Uplink Packet Access (HSUPA) modes for high performance WCDMA systems. It brings dramatic improvements to the overall capacity and data speeds of 3G networks and provides a broadband experience for mobile voice, data and multimedia.

But if Intel, as a possible strategic ally and even a future customer, is denied the Tablet, it will be interested in Microsoft's plans to chase the UMPC space. And a new filing with the FCC suggests this effort may be closer than expected. Instead of responding directly to **Apple's** iPhone launch with a Zune phone, Microsoft's device is likely to support OFDM systems like 802.11n and WiMAX.

For Microsoft to fully participate in the emergence of a truly usable mobile Internet experience and business model it must look beyond Windows. But given the conservative nature of its upgrade, Windows Mobile 6.0 or “mini-Vista,” this doesn't seem to be in the cards.

Microsoft, Intel Confront

Always-on World, a Mobile World

Microsoft and Intel face a common challenge as the world is rebuilt around always-on communication and access and is increasingly based on mobile devices.

To ensure the future of the Wintel empire, the duo must guarantee that their technologies remain at the heart of the new breed of technology. But, they face challenges from other architectures, with very different strengths and ecosystems, which look to sideline Wintel.

Notable among these is the cell phone model. Wintel, along with other PC heritage

Intel: *continued on page ELEVEN*

ENABLING TECHNOLOGY

Intel: *continued from page TEN*

players like Apple and **Google**, are trying to figure out how to adjust to the cellular industry and how to work with mobile frontrunners while shifting their world towards a model with a PC heritage.

The Three Battlefronts

Three announced devices define the battlefield. They represent the most important developments starting to make the mobile Internet experience a reality and could set the pattern for future mobile landscape:

- ◆ Apple's iPhone
- ◆ Nokia's Internet Tablet
- ◆ Intel and Nokia's HSDPA laptop card

Two other devices still on the horizon carry the hopes of the Wintel empire, but can only have a major impact by repainting the landscape and creating a new balance of power.

These are:

- ◆ The Ultra-Mobile PC architecture
- ◆ The Zune phone

The UMPC, if fully realized, provides an alternative to the traditional cellular business models and the 3G networks.

The Zune phone may have looked in the many rumors about its imminent launch like a direct response to the iPhone, but could be potentially more disruptive by being geared toward OFDM networks like WiMAX, rather than 3G.

Nokia, by straddling both models, aims to emerge dominant in the mobile Internet, but will need to fight an increasingly creative (or desperate) Microsoft in doing so.

Pursue the Logic – 3G v WiMAX, Wi-Fi

The iPhone and other similar next-gen Internet-oriented products, including some from Nokia, epitomize the way traditional cellcos can deliver a full, dynamic browsing and Web 2.0 experience on a small device.

But the mobile operators also have to downplay the claims of the all-IP networks like Wi-Fi and WiMAX, with their PC-style broadband models and PDA-style subscriber units, making 3G redundant for anything but voice and basic data.

The higher-bandwidth HSxPA technology, devices like the iPhone and the offloading of

traffic onto overlay networks could all work together to preserve the cellular model in the mobile Internet age.

This clearly reduces the necessity for Wi-Fi and WiMAX, especially as the cellcos reduce data rates and adopt flat-rate tariffs. It also goes against the view typically propounded by Intel - 3G and WiMAX should work together with the latter handling full Internet data and the former doing what it does best, efficient voice and SMS.

With the launch of its 770 Internet Tablet last year, Nokia placed its own support behind this model. The 770, which put Nokia into the PDA-style open devices market, is the company's first product to have no cellular radio. It also runs on Linux, supports Wi-Fi and has the potential to be independent of carrier models.

This product was key in winning Nokia the third slot in the Sprint Nextel WiMAX contract. The Finnish giant has been influential in evolving a real mobile Internet experience in the past year with work on browsers, widgets and other user interface key areas.

Such work, like that invested into the iPhone, produces a breed of devices owing nothing to Wintel, but which could rescue 3G's prospects as a full data/Web vehicle.

And this would clearly be bad news for Intel.

Ironically, it seems the iPhone contains the Xscale processor, now owned by **Marvell**, which Intel sold last year in apparent acceptance it could not compete in the 3G sector and needed to put all its efforts into dominating the next-generation mobile systems by ensuring many of them were WiMAX.

Intel's Precarious Waltz with Nokia

Intel isn't assured of the juiciest early contracts, even in WiMAX, at least on the handset front, since **Motorola** turned to **Texas Instruments** and **Samsung** is going it alone.

That leaves Nokia with the only open dance card among the top handset makers for the first batch of WiMAX phones, and shows how inextricably linked Intel's fortunes in mobile Internet will be to its relationship with Nokia, a relationship conflicting with its Microsoft alliance.

However, if Intel can reduce TI's influence and gain key contracts for future

WiMAX Internet Tablets, perhaps it will enter into the front ranks of this sector. If not, it will be forced to continue to leverage its power over the PC ecosystem to stay important in mobility. But it will see that advantage dwindle.

Intel balances on a tightrope. It must stay fundamental to both Nokia's and Microsoft's activities so it has a role in any mobile model that unfolds. Its interests are more obviously bound with Microsoft's, although it can't afford to be too Windows-focused in a market where Windows is being outrun by Linux and Symbian.

Nokia is more powerful in markets that represent new growth for Intel, but its support will doubtlessly come at the price of compromising on Intel's vision for the mobile networks future.

Straight to the Heart – Intel's Dilemma

The dilemma Intel faces is clearly represented in its heartland, the wireless laptop.

Wi-Fi initially had this space to itself, but 3G and even HSxPA are creeping in as cellcos adopt more attractive pricing policies and extend coverage.

Plainly, the cellcos are taking a stronger role in the mobile PC market.

Intel needs to avoid being totally excluded from anything affecting its primary real estate, the laptop, but by endorsing HSxPA in the PC, it dilutes its promotion of Wi-Fi and WiMAX as the ideal networks for such devices. Thus, it weakens the laptop as the platform it can leverage to promote 802 standards.

The Ultra-Mobile PC – Intel's Vision Blurs

Intel's conflicting interests detract from its vision of the Ultra-Mobile PC as the future's key mobile Internet product. Imagine a tiny device, but one delivering a full PC Internet experience and retaining most of the business models and value chain of the laptop and PDA.

These let Intel maintain its natural dominance, but also give it a place where it can create itself a fortress with no royalties due to cellular technologists and many of its own

Intel: *continued on page TWELVE*

ENABLING TECHNOLOGY

Intel: *continued from page ELEVEN*

patents for leverage.

Such a device would rely heavily on non-cellular, non-operator controlled networks, once more relegating the cellular radio, preferably in a separate phone, but possibly in the UMPC, to a voice role.

Nokia got what is, in effect, a UMPC to market in the shape of the Internet Tablet before any of the actual PC vendors. And it doesn't sport an Intel chip or Windows. It does rely on Wi-Fi, though.

So, Nokia is in step with the Intel worldview on one side, but without generating any income for Intel. But on the other side, it continues to enhance HSxPA devices as fast as possible, weakening Intel's efforts.

And it's doing both of these things while collaborating with Intel on laptop cards. Who needs enemies?

In such complex situations, difficult choices eventually must be made between short-term tactics and income and long-term strategic goals.

Intel may be close to making such a choice with its HSxPA card agreement with Nokia reported to be close to collapse.

This is partly due to Intel's need to focus on WiMAX and on devising compact, low power platforms, rather than stimulating HSxPA further. And it is also partly due to Nokia seeing the UMPC plans as competitive to its Internet Tablet, the spearhead of its own attempt to fill the open mobile Internet device gap and make sure the sector is led by itself and not by the PC makers.

Intel's Microsoft

Tether and Future with Nokia

Probably the best solution would be for Intel and Nokia to settle their differences and pool resources in pursuit of a common mobile Internet agenda, as they have in some areas in the past, their initial WiMAX handset R&D program.

Most likely, we will see Intel looking for new partners in the laptop card and UMPC space, as it looks to tightrope over HSxPA and WiMAX in these key device categories.

Intel can't ignore the 3G technologies, but it can certainly work with a company that is more biddable than Nokia, but still focused on cards and embedded devices with the power management and resource efficiency

required, areas where Intel sometimes lacks.

The UK's **Icera**, which specializes in low power 3G+ chips for embedded products could prove to be a good match for Intel.

And cracks in the Intel-Nokia laptop card deal will delight card specialists like **Sierra** and **Novatel**. Both companies saw their stocks (and hopes?) plummet when Nokia and Intel got together.

Microsoft Strikes Back at Apple, Offers Universal DRM

Microsoft spit directly in **Apple's** eye at 3GSM this week by announcing its new "Microsoft PlayReady" DRM, which will allow consumers to play purchased content on multiple devices for no additional fee. Microsoft PlayReady users will be able to play the same track or video on their portable media players, mobile phones, PCs and other devices.

"Our wireless partners worldwide asked for a single system to power a growing array of business models and consumer scenarios," said Amir Majidimehr, corporate VP of Microsoft's consumer media technology, "and the result is 'Microsoft PlayReady.' With consumer demand for digital goods of all types growing exponentially, this technology delivers a foundation for the future, and accelerates the transparent delivery of rich content to consumers."

Reportedly, **Telefónica**, **O2**, **Verizon Wireless**, **Bouygues Telecom** and **AT&T's** wireless operation will soon announce they plan to support PlayReady technology.

"We believe Microsoft PlayReady technology will accelerate deployment this year of many services that carriers see as important for the next generation of wireless communications," said Jim Ryan, VP of data services at AT&T's mobile phone operations. "Microsoft's digital media expertise and its balance between the needs of the carriers and the interest of consumers is a very positive step for the delivery of mobile entertainment."

Microsoft and mobile industry software developer **PacketVideo** demonstrated PlayReady for the first time in Microsoft's booth at 3GSM.

Apple's Steve Jobs recently called on the

recording industry to make its digital music DRM free, easing a complication for users. It would also solve an increasingly worrying Apple problem caused by its refusal to license its FairPlay DRM to third parties. The result is that tracks that are purchased from iTunes can only be played on iPods unless the user first copies the track to a CD and then rips it back to the PC. Several European countries have been harassing Apple, even threatening legal action, if it doesn't make its FairPlay DRM available to others.

Majidimehr said, "Microsoft PlayReady has been designed to be fully backward compatible with Windows Media DRM 10, allowing devices that support Microsoft PlayReady to access content using Windows Media DRM. Microsoft will also provide an interoperability program, so content may flow to qualifying DRM and content protection technologies."

Microsoft PlayReady works with music, video, games, ringtones and images. It supports the audio and video formats Windows Media Audio (WMA), AAC/AAC+/HE-AAC, H.264 and Windows Media Video (WMV).

It does not work with the FairPlay-protected AAC format that iTunes uses.

Microsoft said the technology will be available in the first half of 2007 for implementing in devices and mobile handsets.

Jobs Gets Invite to DRM Interoperability Group

The **Coral Consortium**, a cross-industry group dedicated to promoting interoperability between DRM technologies, has posted an invitation letter to **Apple's** Steve Jobs on its Web site, www.coral-interop.org. The group responded to Jobs' call for the labels to do away with DRM for digital music by pointing out that there are more than the three other alternatives that Jobs described in his "Thoughts On Music." The Coral group said the best way to achieve a truly consumer-friendly interoperable digital distribution marketplace that balances consumer needs with those of the content industry and in which DRM itself is virtually invisible to the consumer, is for Apple and others to join the Coral Consortium efforts to deploy the interoperable DRM that Coral members have developed.

LIES, DAMN LIES AND STATISTICS

European Mobile Users Not Happy with Mobile TV, Video

A high percentage of early consumer adopters of mobile TV and video services snub a second helping of these services.

This information comes from a survey conducted by market research group **M:Metrics** of 22,000 European mobile users. **Tellabs** commissioned the survey.

“At 3GSM we will be treated to a feast of new mobile TV launches with millions of dollars being spent on developing, marketing and distributing mobile TV services. But if services fall short of user expectations on quality and reliability, it could be money wasted,” said Tellabs EMEA VP Pat Dolan. “So while we share our industry’s enthusiasm for mobile TV, the detailed results of this survey provide important food for thought for the global operator community, who want to address network backhaul issues to improve mobile TV and video services.”

The survey showed that on average, former users of mobile TV and video outnumber current users by more than 19%.

Forty-five percent of European mobile video and TV users cited pricing issues as a factor causing them to switch off the services. And 24% stopped using the services due to concerns about quality and reliability.

fall short of user expectations on quality and reliability

Only 6% of those who had never used mobile video and TV cited quality and reliability as reasons not to try such services, but 29% of users had stopped using services because of quality and reliability.

“Pricing has already been highlighted as a stumbling block for recurrent use of mobile video and TV services, but we were surprised by just how much value users place on quality and reliability,” said M:Metrics senior analyst Paul Goode. “Once the basic

requirements of quality and reliability are good enough, the focus will rightly shift to issues of programming, brands and marketing in addition to price. This research highlights the need to address quality and reliability so the industry can retain viewers, which is a key part of growing audience numbers.”

Digital Media Gear for Consumers Driving UK IT Market

Sales of consumer-oriented gear is driving the UK’s £9 billion (\$17.67 billion) IT market, according to **GfK**’s IT Barometer. The company says the surge in popularity for social and video-sharing sites such as **YouTube** resulted in increased in the sales of related peripherals such as PC speakers and webcams.

The key driver behind the growth is the tremendous demand for mobile PCs, which now account for more than 30% of the value of total IT equipment and software purchases, GfK said.

It also points out that consumers updated their personal digital media infrastructure in 2006 – such items as multimedia cards, PC-speakers and webcams. That, the market researcher said, reflects the growing popularity of online services such as **Skype**, **YouTube** and personal music management. It also resulted in increased sales of additional disk capacity.

GfK highlighted in the report the sales of digital photo frames, which grew from about 3,000 a month at the beginning of 2006 to 7,000 units in October. According to GfK, more than 100,000 units were sold over the Christmas period, with a value of about £1 million (\$1.96 million) in December alone. As might have been expected, December accounted for two-thirds of the digital photo frame sales sold in 2006.

According to GfK, the main drivers for growth in the second half of 2006 were:

- Mobile PCs sales of £1.6 billion.
- Multimedia cards sales of £80 billion.
- PC-speakers up 73% in value year-on-year.

- Webcams sales of £77 billion.

- Storage devices up 31% year-on-year.

Notable segments in decline in 2006 were monitors, printers and multi-disk drives.

The display segment is generally linked with the downtrend of the desktop market, which resulted in a loss in value for monitors.

“Falling price barriers have been the most significant trend in 2006,” said GfK business group director Anthony Norman. “There are, however, signs that this is nearing an end, specifically within the major product groups. With the launch of Windows Vista the PC market is expecting to have an even stronger impact on the total IT market in 2007, not in the least due to higher hardware requirements for running it. In particular, memory vendors and storage manufacturers are looking positively toward the launch as Vista promises better performance while creating demand for more memory, additional storage and wider screens.”

Cellcos May Be Wrong about What Consumers Want from Mobile TV

The history of technology is filled with examples of products and services that arrived on the market with much fanfare but were then ignored by consumers.

Mobile TV may be an upcoming example, according to **Analysys**, which says there are contrasting expectations between industry views on mobile TV and market forces.

“There is some underlying demand for mobile TV but it is not clear that this will translate to the expected level of demand for broadcast mobile TV,” according to “Fixed-Mobile Substitution in Western Europe: Causes and Effects, and Strategies for MVNOs,” a report that Analysis released at the 3GSM World Congress in Barcelona this week.

“In essence, the industry is stuck in the traditional ‘technology driven’ approach, whereas consumers simply want to watch

Cellcos: continued on page FOURTEEN

LIES, DAMN LIES AND STATISTICS

Cellcos: *continued from page THIRTEEN*

'television' content on the move, without consideration of the underlying technology used to deliver that content," said Analysys senior consultant Jim Morrish.

Other findings from the research include:

- Consumers are interested in forms of television content consumption other than simply receiving broadcast mobile TV. For instance, the download-and-cache of niche and long-tail content as well as the time-shifting of content for viewing when and where convenient are both factors that are likely to be central to mobile TV consumption models, but do not require the construction of a broadcast mobile TV network.
- With a high proportion of price-sensitive users and a premium placed on owning the customer relationship, competition will be high among all content providers and market forces will introduce

competing supply chains. This will result in a proliferation of business models, many of which will make use of data-communication functionalities, not broadcast mobile TV functionality.

Morrish said it should not be assumed that mobile TV must involve the real-time broadcast of multiple channels.

"Indeed, this generally accepted model has a number of substantial drawbacks, not least of which are the fact that coverage of broadcast TV networks may not extend into underground rail systems where one of the key target groups (commuters) can often be found," he said. "Also, there is the implicit assumption that commuters will time their commute to coincide with the broadcast of the mobile TV content that they want to watch. Perhaps it is time to think outside the mobile TV box?"

DIGITAL MEDIA LEGAL MATTERS

Media Giants Call Google a Piracy Enabler

The testy negotiations between **Google** and some media giants spilled out in to the public this week when the *Wall Street Journal* reported that **News Corp.**, **Viacom**, **Sony**, **NBC Universal**, **Disney** and **Time Warner** have accused Google of enabling piracy by selling keyword ads for sites that offer illegal movie downloads.

Google is negotiating with the major media companies for licenses to use their videos on its **YouTube.com** video-sharing site. YouTube users have illegally posted thousands of the majors' videos. Without original and user-doctored videos from the major media companies, YouTube's popularity would diminish significantly.

What prompted the matter is a lawsuit that the media giants filed against two Web site operators - **EasyDownloadCenter.com** and **TheDownloadPalace.com**. Google was not named as a defendant in the suit, but the two Web sites responded to the suit by saying that Google employees suggested they purchase keywords like "pirated" and "bootleg movie download" for the sites.

The two operators have now voluntarily taken their sites offline.

Negotiations are still continuing, but

Google has so far agreed to remove objectionable ads and refrain from selling ads to sites that sell pirated content.

Additionally, Google has agreed to teach its salespeople not to offer such ads and to create a list of approved advertisers.

Why share the ad revenue with YouTube

"We prohibit advertisers from using our advertising program to promote the sale of copyright infringing materials. We are continually improving our systems to screen out ads that violate these policies," Google told *CNET News.com*.

Google Identifies Pirate Uploader to 20th Century Fox

Google, like a once-jilted lover on Valentine's Day, is trying to say and do everything exactly right when it comes to the courting it's doing of the media companies.

Google's **YouTube** video-sharing service this week complied with a subpoena from **20th Century Fox** by turning over the identity of the YouTube user "ECOTotal" who

had uploaded episodes of "24" and "The Simpsons." Some of the uploaded videos had not even aired.

Video-sharing site **Live Digital** also turned over the identity of "Jorge Romero" to comply with another Fox subpoena.

"We intend to use the information provided to pursue all available legal remedies against those who infringed our copyrights," Chris Alexander, 20th Century Fox Television's VP of media relations, told *internetnews.com*.

Google needs deals to use the major media companies' content in order to make its \$1.65 billion acquisition of YouTube pay off.

Who'd have ever thought they'd see Google grovel? At this point the media companies would seem to have all the leverage. They own the content that YouTube and other video Web sites need to attract the eyeballs that advertisers will pay the big bucks for.

As shown in several **Rider Research** articles, the content owners are also doing well by making the videos available at their own Web sites rather than by using YouTube or any of the others. Why share the ad revenue with YouTube, or the pay-TV services for that matter, when the media companies can use the Web as their own distribution vehicle?

ME MEDIA

MySpace to Use Audible Magic to Block Illegal Video Uploads

Video-sharing sites like **News Corp's MySpace** and **Google's YouTube** face problems with their users posting copyrighted original and doctored videos without authorization. Both companies are trying to negotiate rights agreements with major content owners.

MySpace this week implemented a pilot program that seeks to block videos containing unauthorized copyrighted content from being posted on its site. The move makes MySpace the largest Internet video site to offer free video filtering to copyright holders.

It will use **Audible Magic's** fingerprinting technology to screen the videos its users upload and block any that match a fingerprint in MySpace's database.

"MySpace is dedicated to ensuring that content owners, whether large or small, can both promote and protect their content in our community," said MySpace co-founder and CEO Chris DeWolfe. "For MySpace, video filtering is about protecting artists and the work they create."

Last fall, MySpace began screening audio files its users uploaded in an attempt to stop unauthorized music uploads.

The company also makes a tool available for content owners to request removal of any user-posted content they claim is unauthorized.

MySpace says the three tools - video screening, audio screening and the request for content removal - make it the industry-leading content protection site.

To make the screening work, MySpace needs the cooperation of the content owners. It has offered the full range of its content protection tools to all the major music labels and to other content owners, free of charge.

MySpace is already blocking users from uploading any audio or video files containing **Universal Music Group's (UMG)** music that is not authorized, while allowing all of the extensive free authorized promotional content from UMG and its artists.

NBC Universal and **Fox** also are participating in the pilot program.

"With the explosive growth and popularity of MySpace, the recognition and filtering of copyrights will play an important role in its ongoing success," Audible Magic founder and CEO Vance Ikezoye said. "Audible Magic has a long history with identification technology and the content industry that allows us to offer comprehensive, reliable and mature solutions for user-contributed content."

Lycos Mix Creates Social Viewing Experience

Lycos launched the next iteration of its proprietary watch and chat technology, called Lycos Mix.

Lycos Mix allows groups of people to pull video clips from a variety of different sources across the Web into one playlist to create a community around shared topics and interests.

"Lycos Mix continues the evolution of community and video with a true Web 2.0 collaborative, contributory and interactive social viewing experience," said Lycos COO Brian Kalinowski. "Unlike social networking sites, each Mix is a collection of video clips where users socialize around content, not individual people or profiles, creating combinations of lasting content to share with others. With Lycos Mix, users can create an amalgamation of video content where others participate by viewing, commenting and adding more clips."

With Lycos Mix, users can collaborate on creating a video collection or Mix for viewing and interacting.

Lycos first introduced its proprietary watch and chat technology last November when it launched Lycos Cinema, which allows users to view feature-length movies online in a chat setting with other users.

User-created Mixes can be made either public or private. And moderated Mix features allow any user to submit videos to a Mix, but the Mix owner has to approve the content before it appears in the Mix.

Users can create multiple Mixes that contain multiple video clips, e-mail them to friends and invite the friends to participate in the Mix.

There's also a "Mix It" bookmark feature. It allows users to add videos from other sites

to their Mixes without cutting or pasting URLs.

Users can comment and rate Mixes, as opposed to individual pieces of content.

DGMI Forges Content Deal with YouTube

Independent digital content owner and distributor **Digital Music Group Inc (DGMI)** formed a content sharing and ad revenue deal with **YouTube**.

"We're very excited to introduce our video and controlled-publishing music catalogs to the largest audience for video content available on the Internet," said DMGI CEO Mitchell Koulouris. "Not only is YouTube helping to promote independently owned content but will also provide a new revenue source for DMGI through online advertising."

DGMI has also allowed certain music, where it owns or controls the music publishing rights, to be included in user-generated videos uploaded to YouTube.

The company currently owns or controls the rights to more than 4,000 hours of video content, including classic TV episodes of "Gumby," "I Spy," "My Favorite Martian," "Peter Gunn" and others. It also has 40,000 music recordings.

Tubes Pushes Convenient Private File-Sharing Down the Pipe

Adesso Systems released its social networking application, called "Tubes," to college campuses.

Students can use Tubes to create bi-directional sharing spaces where photos, video, Web site bookmarks or favorite music are automatically synchronized directly to the desktop of everyone who is part of a particular "tube."

Tubes lets users automatically share anything with the entire group in a tube while eliminating the risk that comes from posting personal content to public Web sites.

"Tubes allows students to share their content directly from their desktops with just the people they want," said Tubes VP Steve

Tubes: continued on page SIXTEEN

DIGITAL MUSIC FORUM EAST

Hosted by:



For the past six years, the most influential decision-makers in the music industry have gathered at Digital Media Wire's annual Digital Music Forum in New York. They come to network, do deals and share ideas about the future of the music business. Participants have described the event as a **"melting pot of the best of the best in digital music"** where ideas are shared and opinions don't go unchallenged.

DON'T MISS THE OPPORTUNITY TO PARTICIPATE IN THE 7TH ANNUAL EVENT

Date & Location: February 27-28, 2007 / New York City
Conference Website: www.digitalmusicforum.com/east07.html

For sponsor packages and to submit speaker proposals, please contact Ellen Gildersleeve, Director of Marketing & Events at 310-855-0033 or by email at ellen@digitalmediawire.com.

Conference Information:

Please contact Digital Media Wire, Inc.
8721 W. Sunset Blvd., Suite P10, Los Angeles, CA 90069
Tel. (310) 855-0033
Fax (323) 372-3849
www.digitalmediawire.com

ME MEDIA

Tubes: *continued from page FIFTEEN*

Chazin. "Tubes is a safe, secure way for college kids to easily connect and synchronize all their digital worlds. After hearing that many potential employers now check college students' MySpace profiles we thought it was important to let students know that Tubes is a better way – a fast, private way to share anything with anyone but without the rest of the world peering in. Instead of sending a file to your friends, simply create one or more tubes and now anyone you invite can share with everyone else simply by dragging and dropping to the tube. We built Tubes with college kids in mind."

Students can build private networks through a desktop application designed to be familiar to anyone who uses instant messaging.

Tubes features a built-in e-mail console that lets users invite friends and assign access permissions. Once this happens, a tube is established. And anything dropped in the tube is synchronized to everyone who accepts the e-mail invitation.

Permitted friends can add or modify content in the tube and those changes are automatically synchronized to the other invitees.

All users can create an unlimited number of tubes for anything they need.

If a content owner deletes a file from a tube, the file is deleted everywhere it was shared. But as a precaution, Tubes provides an automatic online back-up of all shared files, so a user can access all his tubes by merely downloading another copy of Tubes on a PC.

Tubes is currently in beta and offers users free access to free 2GB of storage space.

ShoZu Enters Windows Live Spaces

ShoZu recently added Windows Live Spaces to the list of Web sites capable of accepting image uploads from mobile phones via the ShoZu Share-It service.

ShoZu users can now transmit photos and video clips from 136 ShoZu-capable camera phones directly to their Windows Live Spaces blogs.

"The explosion in social networking, user-generated content, blogging and other Web

2.0 services combined with the parallel rise in camera phones have created a need to send images captured on the handset to a variety of destinations. ShoZu's strategy has been to supply an open platform that lets users choose from their favorite services," said ShoZu commercial senior VP Dean Wood. "The addition of Windows Live Spaces to our menu of Share-It upload options gives consumers another top choice and again demonstrates the value of our open gateway in rapidly integrating new destinations."

Windows Live Spaces is available in more than 36 markets in 15 languages, receives more than 6 million photos a day and attracts over 120 million bloggers per month.

a particularly large base of mobile customers

Market research group Telephia reported Windows Live Spaces has a particularly large base of mobile customers. It ranked the site as the number-two social-networking destination in the UK and number three in the US among users who upload content captured on their mobile devices.

vSocial Premieres ProPublisher

vSocial's ProPublisher, which recently became available, provides a turnkey hosting service and full-featured solution for creating, distributing and monetizing branded Internet video channels and microsites.

"Online video has emerged as one of the fastest-growing phenomena on the Web, with hundreds of millions of videos viewed every single day. This rapidly growing wave heralds the day when consumers can choose from thousands of video channels covering every interest imaginable," said vSocial CEO Mark Sigal. "ProPublisher was built for the countless number of businesses and organizations who want to provide video and social networking capabilities on their Web sites without having to build their own infrastructure or surrender control of their brand."

vSocial designed ProPublisher around the concept of a social media network, a new type of broadcast model combining the surplus of video channels with the viral reach and conversation-generating power of social networking functionality.

To this end, ProPublisher builds the features of vSocial's vConnect social networking for video platform and reduces the process of launching new video channels to four steps.

Select video channel templates and color schemes or create their own.

Create content categories and moderate uploaded content.

Choose distribution options throughout the vSocial network.

Customize social networking options, so content users can rate, review, share, personalize, manage and sample the channel builder's content to help the channel builder cultivate an audience and maximize the reach of the content.

Separately, the company said that its MyBrand solution is now wholly ad-supported. MyBrand lets content creators custom brand the look-and-feel of individual videos and monetize them via in-video advertising.

Is Now The Time When Everything Changes?

"The future is like the past only up to the time when it isn't." – George Will, political pundit.

For media and high-tech companies alike, now is the time when the past won't tell you where the future will be.

Stay up-to-date with events that impact you and your organization by subscribing to *The Online Reporter*.

Write paperboy@riderresearch.com or call 225-769-7130 for subscription details.

MOBILE MEDIA

Orb Brings YouTube to Mobile

Placeshifting software provider **Orb Networks** said that its free MyCasting service now allows users to share Internet videos from their PCs to their mobile phones by sending text message links.

Orb users can now stream videos from sites like **YouTube** and **Yahoo**.

"Demand for Internet video on the PC is insatiable with more than 100 million streams daily on YouTube alone and many of those streams are being forwarded and shared virally via e-mail and IM," said Orb Networks chairman and CEO Joe Costello. "Those are staggering numbers considering these sites didn't exist 18 months ago. So, we know consumer demand is high. Now factor in more than 120 million handsets today are video streaming-enabled worldwide and it's pretty clear consumers will quickly seek that viral ability to share Internet videos to the mobile phone. That's what Orb did."

This new capability was offered first to US beta users, but will be rolled out to international users in the coming weeks.

"We're breaking out Internet video sharing from the PC only and onto the mobile phone," said Costello. "Think about how you typically find out about an Internet video. Your friend pings you on IM or sends you an e-mail with a link so you can watch it. Orb takes that spontaneous moment of sharing to another level. You send a text message with a link to the video from your PC to your friend's mobile phone. They click and watch anytime, anyplace. It's that simple."

Toons Take Over Mobile Phones

Cartoon Network New Media created a new mobile application that integrates smart technology with entertainment, allowing Cartoon Network characters to "take over a mobile phone." It's called "CallToons."

"CallToons extends our fans' relationship with our characters in a personal and interactive way through a mobile phone," said Cartoon Network New Media senior VP and general manager Paul Condolora. "With this application, we are developing a novel approach to the mobile experience. CallToons is a natural next step for the company and offers limitless cross-platform

entertainment possibilities with cartoon characters, celebrities, sports figures and beyond."

CallToons replaces ordinary mobile phone functions, such as ringtones and wallpapers, with an all-encompassing entertainment platform provided by the user's favorite character.

"CallToons does more than set a character's voice to a ringtone. CallToons allows a character's personality to take over the mobile phone's functionality so that they actually interact with the user and incoming callers in a unique way," said Cartoon Network New Media entertainment products senior director Ross Cox.

It ties together ringtones, ringbacks, wallpapers and audio and text alerts into a "character driven narrative experience." Additional functionality will be introduced in the coming months

At launch, CallToons will feature characters from Cartoon Network and Adult Swim (There's no word on if the Mooninites will be available to Boston mobile users), and will be offered as separate services for each brand.

The service should be available to consumers in the fourth quarter.

Cartoon Network New Media developed CallToons in conjunction with **Turner Platform R&D**.

Yahoo Go 2.0 Gamma Launched

Yahoo launched the gamma version of its Yahoo Go for mobile 2.0.

The gamma release comes just a month after the beta launch. The new version features the ability for users to search directly from maps and share oneSearch results, news articles and the service directly with friends.

Yahoo Go 2.0 is an application that gives mobile users the ability to personalize with content from the Internet and a reinvention of mobile search.

The service will be supported by more than 100 mobile phones and has generated more than 400,000 requests to receive the download in the first month.

"The enthusiastic response to Yahoo Go 2.0 has exceeded even our own expectations. For the first time consumers have the full power of the open Internet in their pockets

and that is changing the mobile game," said Yahoo connected life senior VP Marco Boerries.

Zune Phone Aimed at Wi-Fi, WiMAX Market

Wireless Watch this week reported the following:

"**Microsoft** submitted a filing to the **FCC** recently for a prototype of a wireless VoIP and Internet device based on OFDM technology (which would presumably mean 802.11n and WiMAX in real life). The filing is similar to that made by **Apple** in advance of the iPhone launch, and fuelled the flames of speculation that the Windows giant will soon respond with its own multimedia oriented device, though in the unexpected non-cellular direction.

"This would position the product at Microsoft's enterprise heartland, taking on the Internet Tablet head-on, and at carriers which are heavily into Wi-Fi services, as well as future WiMAX supporters (with an obvious view to muscling in on **Nokia's** deal at **Sprint** on the client end).

"The filing only said the putative product would be used for 'consumer broadband access and networking,' and it would clearly add voice to the Zune line in a way that would keep Microsoft free from dealing with cellcos, which tend to be suspicious of the software giant, and which demand a high level of control over their devices."

Orthogonal Frequency Division Multiplexing

No, it's not a dental specialty. Orthogonal Frequency Division Multiplexing (OFDM) is a technique for transmitting large amounts of digital data over a radio wave. OFDM reduces cross talk by splitting the radio signal into multiple smaller sub-signals that are then transmitted simultaneously at different frequencies.

OFDM is used in the following technologies:

- WiMAX (IEEE 802.16)
- Wi-Fi
- Some Ultra wideband (UWB)
- Powerline communication (PLC)
- MoCA home networking
- ADSL, SDSL and VDSL broadband access via copper wiring

Zune: continued on page EIGHTEEN

MOBILE MEDIA

Zune: continued from page SEVENTEEN

DAB systems EUREKA 147, Digital Radio Mondiale, HD Radio, T-DMB and ISDB-TSB

DVB terrestrial digital TV systems DVB-T, DVB-H, T-DMB and ISDB-T

Mobile Broadband Wireless Access (MBWA) systems (IEEE 802.20)

Flash-OFDM cellular systems

TV Broadcasts to Go Direct to PCs

Silicon & Software Systems (S3), a provider of DVB-H client software, and **Irdeto**, which offers content security technology for digital TV, IPTV and mobile, say they have a new solution that allows operators to deliver mobile TV via a DVB-H (Digital Video Broadcasting – Handheld) network, to both desktop and laptop PCs using commonly available components.

The companies say the solution uses a standard DVB-T receiver and USB card reader to receive DVB-H broadcast services. Both components are commercially available with the total solution costs less than €100 (\$130).

This is supposed to provide a cost-effective way for operators to expand their potential market to include a range of devices that were previously inaccessible. The solution can be deployed in a number of different ways, including using an operator-branded or an accessory market bundle of DVB-T stick and card reader or an operator-branded hybrid product to provide DVB-H connectivity for laptop and fixed desktop PCs.

“S3 and Irdeto have recognized that in order to be successful, operators require new business models to expand their mobile TV offering,” said John Maguire, general manager of S3’s consumer mobile business. “We are working in partnership with key technology suppliers and operators to develop solutions that broaden the potential market and can help deliver increased user numbers and revenues.”

Irdeto VP of marketing Doug Lowther said the solution gives operators the ability “to develop their Mobile TV business model and rollout services quickly and effectively.”

S3’s onHandTV has the software required to rapidly deploy mobile DTV devices compliant with emerging broadcast, multicast

and unicast standards including DVB-H, T-DMB, DAP-IP, MBMS and 2.5 or 3G. It guarantees interoperability with all of the existing commercial DVB-H networks and key technology suppliers in the mobile DTV ecosystem.

The Irdeto Mobile Broadcast CA solution is the first-ever conditional access system implemented for mobile broadcasting services. Through the integration of the CA solution, S3 and Irdeto offer network and broadcast operators, secure end-to-end mobile DTV.

The solution was first shown at 3GSM in Barcelona this week.

AT&T Turns to MediaFLO for Live Mobile TV

Qualcomm’s MediaFLO USA unit has signed up a second major US wireless operator to use its high-quality mobile TV services.

After partnering with **Verizon Wireless** in January, MediaFLO now has **AT&T’s** wireless unit agreeing to use its technology to deliver live TV over mobile as well as other entertainment and information services to subscribers.

AT&T will launch the MediaFLO services sometime in late 2007 on phones specifically designed for this type of advanced video service with such features as an easy-to-use interface.

In addition to the live TV, specific MediaFLO services that can be expected from AT&T include a multicast video clip distribution service, a datacasting application for real-time information and entertainment and audio services. The MediaFLO offerings are meant to complement AT&T’s existing voice, data and video-on-demand services.

MediaFLO aggregates content from some of the leading content providers, optimizes it for the mobile environment and, in the second half of the year, will begin delivering it to subscribers over its nationwide network.

WMG Delivers Mobile Music to Telenor

Warner Music Group (WMG) has teamed up with Nordic telecom giant **Telenor** in a deal that calls for WMG to offer a variety of content to consumers through Telenor’s var-

ious mobile companies. Warner, the first music company to partner with Telenor on a multi-regional group level, will provide full-length songs, ringtones, ringback tones, mobile music videos and wallpapers.

The agreement initially covers nine of Telenor’s 13 mobile operator companies.

The partners claim that they’re pioneering “innovative” music services that will “incentivize” mobile uptake and encourage mobile music consumption across Telenor’s mobile subscriber base in Europe and Asia.

Telenor’s djuice youth brand will take advantage of the content from Warner’s vast roster of international artists and will work with the music company to develop mobile offerings for a broad range of audiences and tastes.

JT Goes Mobile on V Cast

Fans of former ‘NSyncer Justin Timberlake will soon be able to get exclusive music, film, fashion and lifestyle content from the crooner on their cell phones – as long as they subscribe to **Verizon Wireless’ V Cast** service.

Timberlake has hooked up with the wireless operator to launch “JT-TV,” making him the first artist to launch his own mobile channel that will be updated fairly regularly with unique content from JT himself.

Throughout 2007, four JT-TV channels will roll out – Fashion, Film, Music and Lifestyle.

The JT-TV Fashion channel will be the first place fans can check out behind-the-scenes footage from Timberlake’s first William Rast fashion show, including snippets from the show and interviews with Timberlake and his partner in fashion Trace Ayala.

“This is a truly exciting time for me in my career. With JT-TV I am able to express myself and share more of my creativity directly with my fans. I am excited to launch JT-TV and give V Cast subscribers a sneak peek into my world of music, fashion, film and lifestyle,” said Timberlake. “I hope my fans will enjoy JT-TV as much as I have enjoyed creating it and I am excited to be working directly with Verizon Wireless to make it all possible.”

MOBILE MEDIA

uVuMobile Launches New Mobile Platform, Application

uVuMobile (SmarTVideo Technologies) revealed its new proprietary mobile platform that delivers interactive audio and video-based wireless applications.

The platform's first application is called uVuRadio and is a mobile subscription service designed to change how radio listeners get their favorite local radio stations and nationally syndicated programs.

"uVuMobile has been quietly and diligently building a platform that truly brings wireless content presentation and feature integration to a new level. We think launching these capabilities in conjunction with the terrestrial radio industry is a very big win-win, especially with exciting prospects for off-deck marketing, mobile advertising and the prospect of helping the radio industry reclaim a stake in new media music revenue streams, in addition to the other exciting benefits," said uVuMobile business development senior VP Tom Parish. "We see similar benefits for other content owners in other media and entertainment sectors, especially television, and are excited to bring the offering to the marketplace."

Currently in its beta phase, uVuRadio is designed to deliver a robust content line-up and boost broadcast delivery with a full suite of interactive and visual enhancements to include:

- ◆ Instant messaging capabilities with radio personalities
- ◆ Integrated mobile commerce
- ◆ SMS contests and promotions
- ◆ Real-time voting
- ◆ Community chat
- ◆ Advertising support

Skyward Mobile, which developed a mobile entertainment, media and productivity suite, partnered with uVuMobile to create uVuRadio as well as a series of other products.

"It has been a tremendous experience to work with uVuMobile and combine the best of content with the best of technology to create the uVuRadio product," said Skyward Mobile CEO Jeremy De Bonet. "uVuRadio represents a significant leap forward in mobile applications enabling the direct and immediate interactions between audience

and broadcaster to create an unparalleled sense of community and affinity. As of today, radio is no longer a one way experience."

Amp'd Immigrates ShoZu

ShoZu Inc's Share-It service will be available on phones sold by **Amp'd Mobile**, giving ShoZu its first US mobile operator.

This comes from a newly formed distribution agreement between the two companies.

The Share-It service will expand Amp'd Mobile's social networking feature by enabling subscribers to transmit photos and video clips to nearly two dozen media sharing, blogging and community sites using a single ShoZu application on the handset.

"Amp'd clearly understands what its target audience wants and has put a high priority on offering the best possible social networking experience," said ShoZu North American VP Bob Morgan. "Their choice of ShoZu to provide social networking and media sharing services again highlights the value of our open gateway strategy, support for a wide spectrum of Web destinations and ease of navigation for end users."

With the Share-It service, Amp'd subscribers will be able to upload images to online communities ranging from **Flickr** and **YouTube** to **Buzznet**, **Kodak EasyShare Gallery** and **MSN's Windows Live Spaces**.

ShoZu recently added Windows Live Spaces to the list of sites it supports.

Personal blogging sites and citizen-contributed photojournalism sites are also open to this feature.

The ShoZu software will be distributed through Amp'd Live for a flat monthly fee early in the second quarter. The airtime required for image transfers will be free, as Amp'd Mobile's service packages include unlimited data plans.

"ShoZu's Share-It service enables easy entry to all social networks through their intuitive, single access gateway. Most important to users is the ability to set their own preferences," said Amp'd Mobile content business development director Brian Mullen.

The distribution agreement also means Amp'd Mobile becomes ShoZu's first mobile operator partner in the US and the second to be announced in a month, following a similar agreement with the Austrian carrier **Hutchison 3G Austria**.

The agreement extends ShoZu's support to **Qualcomm's BREW** mobile platform for

the first time, adding to ShoZu's support for Windows Mobile, Symbian and Java environments.

Gracenote Finds Mobile Music Solution

Gracenote's new Mobile Music Solution Suite allows for the movement of music between a PC application, online music and a mobile device.

It also combines products and services for simple content search and discovery, music recognition, playlisting and e-commerce.

"Consumer demand for the combined convenience of a mobile phone and music player has increased dramatically. Handset, carriers and mobile content providers can no longer think of the mobile device, online music store, and PC as separate domains," said Gracenote mobile products director Marc Theeuwes. "Gracenote's Mobile Music Solution Suite addresses this trend and accelerates the potential of mobile music through the integration of those three domains, bringing them together in a way that makes the best use of the PC while also utilizing the mobile phone's communication and connectivity capabilities."

Here's a listing of what the suite offers to handset manufacturers, carriers and mobile content providers.

◆ **Music Recognition** – Gracenote offers Mobile MusicID for the handset and MusicID for the PC to identify, categorize and organize digital music with the help of its Global Media Database, which is accessed by more than 200 million people annually.

◆ **Playlisting Capabilities** – The Gracenote Playlist generates digital music playlists and the handset version lets users generate one-touch "More Like this" playlists by selecting one or more songs of artists as seeds. Users can also create custom playlists on the PC and port them to the handset.

◆ **Music Discovery** – Gracenote Discover is a music recommendation engine that integrates with Gracenote's music recognition technology allowing music from the user's collection to be used as a seed for finding new music from the mobile content catalog. Users can find new music this way from mobile devices and PCs.

◆ **Enriched Content** – Gracenote offers **Gracenote: continued on page TWENTY**

MOBILE MEDIA

Gracenote: *continued from page NINETEEN*

users a richer music experience by providing artist biographies, album art, album reviews and full song lyrics, which can be delivered with music identified on a mobile device or PC.

- ♦ **Music Search** – Gracenote’s database features 60 million tracks, giving users the ability to listen and learn more about their favorite music and artists. Users can search with artist name, album, song title or even song lyrics and be linked to the best matching content in the store.

- ♦ **Link to Commerce** – All the features listed so far can be connected to mobile e-commerce through Gracenote Link, a content management system enabling delivery of third-party content directly related to music as a user plays it.

Sony Ericsson has adopted the Gracenote products for its Walkman music phones. It uses Gracenote’s Mobile Music ID to power its TrackID feature and has also integrated the technology into its Disc2Phone mobile music management software. “Combined, these services enable Walkman phone users to easily manage their mobile music and ease content discovery seamlessly between the mobile device and PC,” said Sony Ericsson global product manager Jose-Maria Bescos-Caceres.

The Walkman phones provide users access to their own music libraries.

Sundance, GSMA Debut Mobile Short Films

The **Sundance Institute** and the **GSM Association (GSMA)** unveiled the five original made-for-mobile short films commissioned as part of the Sundance Film Festival Global Short Film Project.

The project was announced last November by Sundance Institute president and founder Robert Redford and was created to showcase and extend the reach of the independent short film genre to mobile users worldwide.

“I believe mobile viewers will be surprised and delighted by the diversity of these films,” said GSMA chief marketing officer Bill Gajda. “Ranging from the comic to exquisite, the radically different creative styles of storytelling play extraordinarily well to the unique, viral nature of the mobile medium.”

The Sundance Film Festival Global Short Film Project films are:

“A Slip in Time” – Directed by Jonathan Dayton and Valerie Faris, the film is a motion study of slapstick comedy.

“Learning to Skateboard” – Directed by Jody Hill, this film is about a corporate worker who calls in sick. In his quest to liberate himself from the daily grind he embarks on a quest for freedom by learning how to skateboard.

“¡La Revolucion de Iguodala!” – Directed by Justin Lin, this film tracks one man’s passionate message as it travels through various forms and agendas.

“Los Viajes de King Tiny” – Directed by Maria Maggenti, this film is about a small dog in Los Angeles who takes off by himself while his owner is at work. King Tiny travels the city, but is confronted by his own personal demons in the process.

“Reno” – Directed by Cory McAbee, this film has a singing cowboy who brags about his travels through Nevada on a Honda 50 to a store security camera.

Information on how to access the five films on a mobile phone and share them with friends is posted on the Sundance Web site.

3 UK Gives Subscribers Social Networking Site Access

Mobile media company **3 UK** made a partnership with social networking gateway provider **Intercasting** to give its users wider, simpler access to online communities from their mobile handsets.

“3 is leading the way for mobile broadband services and as such is well-placed to provide mobile social networking to their user-base. By using our unique technology 3 will be able to offer their subscribers an easy-to-use and compelling experience,” said Intercasting VP Sean Kane.

3 subscribers can access social networking sites including **LiveJurnal**, **Xanga**, **Vox** and **BlackPlanet**.

Intercasting lets mobile networks aggregate process of providing social networks through its Anthem Social Networking Service Gateway (SNS-G).

“Through the Anthem social networking gateway users will get a social networking experience tailored for the data and media capabilities of their phones, helping to drive

adoption and repeat usage over the 3 network. This further extends the world of mobile blogging, messaging and community interaction on 3,” said 3 UK mobile broadband head Rob Wells.

Orange UK, 3 Italia Select Musiwave

Musiwave, an **Openwave Systems** company was popular this week.

Orange UK launched a Musiwave-powered full-track music download store. And **3 Italia** selected Musiwave Smart Radio service for Java-enabled handsets.

The Orange-branded music store is live on seven handset models and will be rolled out on all new music handsets through 2007.

“Earlier this year Orange France launched its interactive, streaming radio service, Music Cast, based on Musiwave’s Smart Radio technology. With this latest win, Musiwave now serves in numerous Orange territories across Europe, enabling its users to enjoy their favorite music, on-the-go,” said Musiwave VP Guillaume Decugis. “Musiwave continues to be a trusted Orange partner, and our services are now live in nine countries where Orange operates: France, Belgium, Portugal, Poland, Romania, Slovakia, Spain, Switzerland and the UK.”

The Orange Music Store contains a catalog of tracks from both major and indie labels.

3 Italia Users Get Smart Radio

3 Italia’s subscribers have access to interactive and personalized music streams and themed channels, as well as a catalog of thousands of full-tracks from major labels via an integrated music download storefront.

“By working with Musiwave to bring Smart Radio to our subscribers, we are taking another important step in the development of a thriving global market for mobile music,” said 3 Italia media director Stefano Piastrelli.

The Smart Radio service progressively builds a customized stream based on the previously played songs.

Musiwave provides mobile music entertainment services to more than 25 mobile operators around the world including **Vodafone**, **T-Mobile**, **Telefonica**, **Orange**, **SFR**, **3UK**, **Telus** and **Amena**.

ONLINE MUSIC SERVICES

MP3tunes Offers Free Infinite Music Locker

MP3tunes has made unlimited online music storage available to users free with the release of its improved Oboe music locker. Oboe users now have access to unlimited streaming of their own music library with no listening or syncing limits.

“Oboe gives people access to their own music everywhere, not just a closed device or PC,” said MP3tunes founder and CEO Michael Robertson. “And we’re moving to a world where storage is as cheap as water so we can offer Oboe with unlimited storage for free.”

Oboe also includes a Web player compatible with most Web browsers. And the Oboe locker can be accessed from some wireless devices, DVRs and mobile phones.

The software also includes a browser plug-in for “sideloading” music from a Web page directly into an Oboe locker.

Signing up for the free, ad-supported version of the Oboe locker is currently limited to a select number of new sign ups each day. Users can opt to get the premium service, which costs about \$40 a year, but offers some extra features and gives users immediate access to a locker.

The free locker allows users to upload files of up to 10MB each, where the premium sets the limit at 50MB. The premium service has no ads, either.

PRODUCT WATCH

Amaru’s M2B World Nabs Deal for 50,000 PONY Set-top Boxes

Amaru’s subsidiary **M2B World Asia Pacific** has landed a deal with Malaysia’s **AccessPortal** for 50,000 M2Btv PONY set-top boxes.

Starting this March, upper-middle-income condominium residences in the Malaysian capital city of Kuala Lumpur will be able to access 60 channels of M2Btv on-demand content. There’ll be international and local programs including Korean, Chinese and Malaysian dramas, variety and sports such as popular regional football matches.

“With the successful rollout of our Global Broadband TV service in the US and Singapore in the second half of last year, Malaysia is one of a series of strategic in-country distribution tie-ups that we are targeting this year,” said Amaru president and CEO Colin Binny.

Amaru’s technology partner **Zentek Technology** will help to manage the distribution and technical support for the 50,000 M2Btv Pony set-top boxes over the three-year period in Malaysia.

“Owning the exclusive rights to distribute M2B-branded content in

multiple territories, combined with our proprietary broadband streaming network to deliver high quality on-demand viewing pleasure to a worldwide audience, gives us a formidable competitive edge and fast start-up ability to secure in-country distribution deals,” Binny said.

high quality on-demand viewing

M2Btv subscribers also get face-to-face video calls and messaging at no additional charge, on-demand shopping, casual interactive games such as Sudoku and karaoke.

Amaru, a Nevada corporation, operates through its subsidiaries under the M2B brand. It has launched multiple broadband TV Web sites for Hollywood and Asian entertainment, education and online shopping, with over 100 channels tailored to various consumer segments and lifestyles.

Publish Your Own Market Research

Publish your own “articles” about market research in the digital media and related industries at www.liesdamnliesandstatistics.com.

You can also post your comments about the articles that others have published.

Rider Research
13188 Perkins Rd.
Baton Rouge, LA 70810
(225) 769-7130

SHOW TIME

GoFish Grabs Bolt

Online video company **GoFish** acquired social networking and video site **Bolt Media** in a stock-for-stock transaction valued at up to \$30 million.

"Bolt is one of the Internet's great youth brands and a perfect fit for GoFish," said GoFish co-founder and CEO Michael Downing. "Bolt's blue-chip advertisers recognize that the company excels at marketing to online communities. We wanted to acquire a large, creative audience to interact and participate in our original programming, as well as a sales organization to package these shows for premium advertisers. We expect Bolt to deliver on both fronts."

Bolt reported 2006 sales of about \$7 million and counts **Coca-Cola**, **Verizon Wireless**, **Nike** and **Sony** among its repeat advertisers.

The combined company will develop Internet programming ideally suited for advertisers targeting the 18- to 34-year-old demographic.

"The future of online video lies in nurturing the creative generation to produce made-for-Internet content that will accelerate the migration of advertising dollars from television to the Internet," said Bolt Media co-founder and CEO Aaron Cohen. "The combined company will create better programming for our audiences and our advertisers. Couple this with a valuable public currency, Bolt's large audience and a roster of blue-chip advertisers, and we now have the platform to consolidate the industry and build a business with significant scale."

GoFish will also distribute its original short-form programs through Bolt's online properties.

The combination will create an online video company with roughly seven million monthly unique visitors in the US and over 19 million globally.

TV Guide Broadband to Use Brightcove

TV Guide and **Brightcove** said that TV Guide Broadband will use Brightcove to publish and manage online video for syndication to Web site affiliates.

"TV Guide Broadband is specially created for the legions of TV fans looking for great entertainment programming and TV guid-

ance through the immediacy of online video," said TV Guide Channel president Ryan O'Hara. "Working with Brightcove allows us to syndicate our entertainment content to thousands of sites across the Web, while enabling us to control the look, feel and presentation of TV Guide Broadband so it is consistent with our brand."

TV Guide Broadband's video channel on the Brightcove site will offer users entertainment-focused video content, including: TV Guide's recommendations for the best shows, movies and music on TV; interviews with today's favorite stars; behind-the-scenes footage of the hottest TV shows and highlights from TV Guide Channel's live programming such as Red Carpet interviews at major award shows.

"We are excited to be partnering with TV Guide to extend the distribution of their highly sought-after celebrity coverage through Internet video syndication," said Brightcove chairman and CEO Jeremy Allaire. "By using Brightcove, TV Guide can bring video content directly to its audience in an experience that communicates its brand, extends its reach through affiliate partner sites and delivers new sources of revenue for its ad-supported platform."

This month TV Guide Broadband will feature Red Carpet celebrity interviews from the Grammy and Academy Awards hosted by Joan and Melissa Rivers and the "American Idol Special," which gives viewers behind-the-scenes scoop on "American Idol" auditions. It's hosted by TV Guide Channel's Kimberly Caldwell, a season-two American Idol, and Rosanna Tavares.

Azureus Gets More Legit, Gets Starz Content

BitTorrent client developer **Azureus** formed a content partnership with **Starz Media** to make a range of video genres available online.

This is the third distribution agreement from Azureus since its launch in December. Its first content partnership came in December with **BBC Worldwide**.

"With Starz Media, we continue to build upon our commitment to deliver a robust offering of genre based entertainment within an optimal viewing environment," said Azureus CEO Gilles BianRosa.

Anime, comedy, sci-fi and horror are among the in-demand genres from the Starz Media library to be represented in the partnership.

"Through this partnership with Azureus we hope to reach the millions of genre fans online and build upon the avid audience interested in our video titles and series," said Starz Media business development and strategy senior VP Marc DeBevoise. "We're excited about Azureus' high-resolution format and its potential."

High-resolution, long-form content from Starz Media will be available on Azureus' digital media platform, which is currently code named Zudeo.

Zudeo enables content providers to publish, showcase and distribute high resolution, long-form content with the ease and minimal cost of a BitTorrent application, but with security.

Content can include video and games, in HD or DVD-quality.

Time Inc Looks to Brightcove for Internet Video

Brightcove and **Time Inc** formed a corporate-wide partnership to enable Time to launch ad-supported Internet video channels on its Web sites.

"Consumers and advertisers are hungry for rich online media experiences," said Time Inc Interactive president Ned Desmond. "Brightcove will make it far easier to get video up on our sites and allow us to concentrate on what's most important, creating the great video you'd expect from some of the best brands, journalists and editors in the areas of celebrity, entertainment, sports, news, business, style, food and home."

Time plans to produce original video content for a number of its sites by drawing upon top news and entertainment writers, photographers and editors.

"We are excited to be working with the leading magazine publisher in the US and UK in nearly all of the most popular consumer categories," said Brightcove chairman and CEO Jeremy Allaire. "With Brightcove, Time Inc will be able to leverage the rapidly-changing media landscape to engage readers

Video: continued on page TWENTY-THREE

SHOW TIME

Video: *continued from page TWENTY-TWO*
in new and exciting ways with video content, expand the reach of their brands and open the doors to new revenue opportunities through advertising.”

Each Time title will manage its own editorial calendar and be responsible for video advertising sales.

Time already uses Brightcove's technology on its main Web site, Time.com, and will be introducing Internet video channels on additional media properties in the near future.

Virgin Media Brings HBO to Europe

Virgin Media will roll out at least 50 hours of premium HBO programming through the Virgin Media on-demand TV service.

“We are making a serious investment in the range of on-demand programs we offer and HBO has a reputation for producing some of the most original and entertaining shows of recent years,” said Virgin Media chief commercial officer Ernie Cormier.

Under the newly formed content agreement, Virgin Media gains access to hit series like “The Sopranos,” “Six Feet Under” and “Entourage.”

Other award-winning series and miniseries available include: “Curb Your Enthusiasm,” “Band of Brothers” and “From the Earth to the Moon.”

The deal marks HBO's first entry into the UK marketplace, bringing its programs to British audiences under a standalone HBO branded destination.

“HBO's programming has always done very well in the UK and the arrival of a HBO service has been long desired and anticipated,” said HBO programming distribution and international president Simon Sutton.

The HBO subscription service will be available as part of the standard monthly charge for Virgin Media customers subscribing to the top “XL” TV package.

Akimbo Adds Reveille Programming

Independent production and distribution company Reveille has agreed to make a number of popular TV series available to

users of Akimbo's Internet-to-TV video-on-demand service.

Akimbo subscribers can download thousands of on-demand shows, movies and videos over the Internet and watch them on a TV via the RCA Akimbo Player set-top box.

The new partnership brings several shows that Reveille originally produced for network TV, including “Adrenaline X,” “House Wars” and “Meet Mr Mom.”

“Reveille is recognized in the industry for its innovative partnerships and award-winning programming,” said Anne Lakstigala, Akimbo's head of acquisitions. “Akimbo helps Reveille unlock the archives of content, bringing some of the most talked-about shows in recent years to new and broader audiences.”

The Akimbo service offers more than 14,000 movies and other programs from a couple hundred content partners including **MovieLink**.

Reveille is the production company behind current hit shows “The Office” and “Ugly Betty.” No word from the new partners yet as to whether either comedy will eventually be offered through Akimbo.

Blip.tv Lets Producers Create Targeted Ads

Blip.tv, an online network for independently produced shows, has introduced a new way for its content partners to make money in addition to the sponsorship and open ad marketplace services Blip.tv offers.

The new model lets the producers take matters into their own hands through a “do-it-yourself” targeted ad solution that enables them to promote the products, services and causes of their choosing. They can use the DIY ads to sell t-shirts, DVDs or other promotional products as well as promoting charities or content partners.

With the DIY ad platform, Blip.tv becomes the first video-sharing service to let its users include their own clickable advertising in their own shows rather than simply accept ads from the host site.

The first show on Blip.tv to incorporate the DIY ad platforms is *Make Magazine*, a DIY publication from **O'Reilly Media** devoted to DIY technology projects. At the end of every *Make* video podcast, a *Make-*

created ad will run that gives viewers the opportunity to buy the materials required to complete the DIY project featured in the episode or electronic kits from the Maker store (store.makezine.com). Viewers wanting to purchase the items need to click on a link in the video and enter shipping and credit card information.

Make has plans to use the Blip.tv DIY advertising to promote upcoming conferences as well as other events, products and services.

“This represents yet another major shift of power from the big-name networks and studios towards the content creators themselves,” said Blip.tv CEO Mike Hudack. “The ability for a show to turn a profit is central to Blip.tv's mission, and ‘DIY promotion’ technology allows us to help an entirely new breed of shows make money from their hard work, creativity and often very substantial audiences.”

The *Make* podcast can be seen at www.makezine.com/podcasts, www.blip.tv and on other sites across the Web, including **Apple iTunes**.

Voy Gets Joost to Deliver Latino Content Worldwide

Joost, which has promised to shake up the TV broadcasting world in the same way that its founders shook the music industry (**Kazaa**) and the telephone industry (**Skype**), has signed the Latino digital content provider **Voy** to provide programming. Voy (“I go” in Spanish) will deliver branded channels of Latin videos to Joost's global subscribers.

Joost (as in “juiced”) offers a way for consumers to watch free, ad-supported TV shows in high-quality video on their PC - no pay-TV service needed. The video streaming layer is reportedly built on top of FastTrack, the global index technology that has provided the foundation for Kazaa and Skype.

Voy offers English-language channels with Latino culture, issues and ideas. Its content ranges from short films to magazine shows to popular TV series.

“Latinos are the foremost consumers of technology and media in the US,” said Voy founder and CEO Fernando Espuelas. “With

Voy: *continued on page TWENTY-FOUR*

SHOW TIME

Voy: *continued from page TWENTY-THREE*

Joost, we connect this sophisticated audience with relevant content on a leading edge platform that has natural appeal to Voy's global audience."

Joost is still in beta, according to Joost CEO Fredrik de Wahl. He said the company's goal is to combine the best of television with the best of the Internet and deliver that over the Net through a secure, peer-to-peer streaming technology service. A broadband Internet connection is all that'll be required to watch broadcast-quality content for free.

Voy content will include all things Latino:

- Short films, music videos and commercials made by or featuring Latinos.
- A magazine show highlighting Latin culture in the United States and abroad with political, historical and entertainment figures – "Latinos who are making an impact."
- Celebrity interviews, featurettes and behind-the-scenes news on Latino-oriented movies and shows that interest Latinos.
- A weekly show dedicated to "lowriders" and the "lowriding" culture and lifestyle.
- A weekly show on all things entertainment with a Latino twist.

Veoh Officially Launches

Veoh Networks officially launched, stepping out of its beta phase. It now provides video publishers with automatic syndication and reporting features. Viewers get a virtual DVR, a downloadable player that allows them to download content from video sites.

"Veoh's mission is to bring the next generation of television to people wherever they are, office, living room or on the go," said Veoh CEO Dmitry Shapiro. "Technology will allow us to dramatically improve the experience, and we believe our formal release today is an important step towards realizing our goal."

The company's peer-to-peer video distribution network assures that publishers can provide viewers with a full-screen, DVD-quality experience.

"It will take many players, working together, to make Internet TV as ubiquitous

as TV is today," said Shapiro. "With our superior platform and rate of viewer growth, we're well-positioned to partner with companies who share our vision for the future."

Publishers using the platform can upload videos and syndicate them on other sites and the ability to distribute video content of any length in DVD-quality. They also get access to an expanded list of syndication offerings including **Facebook**, the publisher's own blogs, RSS feed syndicators, iPods and Windows Media players.

There's also a range of choices for generating revenue, including advertising, pay-per-view, pay-to-own and subscription.

Viewers can stream video from Veoh or download to Veoh's virtual digital recorder to watch later on a PC, iPod or Windows Media device. They can also subscribe to episodic programs that, once downloaded, don't require an Internet connection to watch.

The Veoh system also lets users download programs from other sites with the Veoh player. The Veoh browser plug-in can identify video at any site and save it automatically to the Veoh player.

OpenTV: Save the Cross-Platform Interactivity, Save NBC

NBC has turned to advanced TV and cross-platform interactivity service provider **OpenTV's** Participate solution to power the live Web-based interactive services for the NBC hit primetime series "Heroes."

OpenTV Participate's production tools create, schedule, manage and analyze the new "two screen" interactive services. The services will be synchronized with each Monday night broadcast of "Heroes" across all continental US time zones.

"The OpenTV Participate solution presented NBC.com with important new options for live two screen interactivity and we felt that a show like 'Heroes,' which has an audience that is seeking out a rich, multi-platform viewing experience, was the ideal show to try it on," said NBC ITV technology product development director Jon Dakss. "The product is also flexible enough for us to experiment with timings and event types during the series, allowing us to explore new

ideas on-the-fly."

Audiences are invited to interact with the broadcasts by entering live polls and offering their own predictions on the outcome of the storylines. All the real-time statistics are fed to their PCs.

NBC gets to use the OpenTV Participate system to create and manage sponsored polls and questionnaires as well as advertiser brochure requests.

During the series, NBC creative teams have control over the creation and management of all events with analysis of activity available at producers' desktops during or after the show.

Data from all transactions, including sponsor calls to action, are stored in a secure database, which can be queried for trend and retention analysis using the system's built-in CRM tools.

JumpTV Gains 11 New Licenses Channels

Internet broadcaster of ethnic TV **JumpTV** signed 11 new exclusive Internet broadcast agreements with channels from Pakistan, Thailand, Lebanon, Nigeria and Benin.

The result is the expansion of its network to 270 channels under license.

"The first phase of JumpTV's business strategy has always been to aggregate the most television content from around the globe," said JumpTV International president and CEO Kaleil Isaza Tuzman. "Now with 270 channel partnerships, JumpTV continues to solidify itself as the largest broadcaster of ethnic programming, providing its subscribers with live television, when and where they want it."

The 11 new channels will be individually priced at \$9.95 per month when launched commercially. Some will become part of country/region-specific channel bundles at later dates.

"JumpTV is thrilled to announce the addition of 11 channels from countries like Nigeria, Thailand, Pakistan and Lebanon," said JumpTV content acquisition and global operations head Sila Celik. "We understand that our subscribers want an array of content from their country or region of origin and these channels add substantially to our offerings."

San Francisco Wants Fiber-to-the-Home, Too

The City of San Francisco says the municipal fiber-to-the-home (FTTH) network it is considering, at a build-out cost of \$500 million to \$1 billion – maybe even more – would work in concert with, not replace, the Wi-Fi metrozone **EarthLink** is deploying. EarthLink estimates its Wi-Fi network will cost \$15 million over the next 10 years. Some have called on the city to scrap the Wi-Fi plan entirely and instead use the fiber network, which the city would own.

No, Not VOD! KOD, Karaoke-on-demand

KOD? That stands for “karaoke on demand” and sounds like exactly what the world needs in the post-Valentine’s Day slump. **Streaming21** and **Zentek Singapore**, calling karaoke Asia’s most popular entertainment, say they’re delivering KOD to **M2B World**, a broadband media entertainment operator. M2B World offers over 100 channels of interactive entertainment-on-demand, education-on-demand and e-commerce-over-broadband, IPTV and 3G devices in countries such as the US, China, Japan and Singapore. KOD subscribers will be able to receive full-screen TV playback, order songs, follow moving lyrics on TV screens – all helping them to “enjoy singing with family and friends in the privacy and convenience of their own homes.”

Blockbuster Tempts Netflix Customers

Presidents’ Day, which this year falls on February 19, is a day when Americans celebrate the great presidents of the past. It’s also a day when the post office, banks, schools and many companies are closed. **Blockbuster** has come up with a unique way to celebrate the holiday – by giving **Netflix** customers the in-store benefits typically open only to Blockbuster Total Access members. Total Access is the service that lets subscribers choose DVDs online – à la Netflix – and then either return them by mail or exchange them at their local Blockbuster location. From February 15-21, Netflix members can bring the tear-off address flaps of their Netflix rental envelopes to a Blockbuster

store and receive a free movie rental in exchange for every flap they present. The only catch is that the Netflix members have to sign up for a free Blockbuster account. “With this Presidents’ Day offer, we’re celebrating freedom of choice for American movie lovers, who no longer have to wait for the mail to get DVDs,” said Blockbuster North America president Nick Shepherd. Shepherd must have forgotten that Blockbuster’s in-store movie rentals were around long before Netflix came on the scene.

BSkyB Talks Ugly about Virgin Media to Virgin’s Subscribers

Sometimes competition gets ugly. **BSkyB**, which is in battle of heavyweight proportions with **Virgin Media** for the UK digital media distribution market, is running ads on channels such as its Sky One that warn Virgin Media pay-TV subscribers, who also get the Sky One channel, that BSkyB’s channels could be withdrawn from the cable system if Virgin Media does not pay a “fair price for them.” So says the *Media Guardian*. Virgin Media called the ads “bizarre” because they urge viewers to call and ask Virgin Media to continue carrying the channels. The two companies are currently negotiating over the cost to Virgin of a new deal to carry Sky One, Two and Three; Sky News; Sky Sports News; Artsworld and Sky Travel.

And the Word of the Day Is...

For all those folks who get frustrated when a word gets caught on the tip of their tongue and they can’t quite remember it, and for all those friends who argue over the meaning of a word, intelligent mobile search provider **AskMeNow** and **Merriam-Webster**, the premiere US publisher of dictionaries, have come to the rescue. By simply sending a text message to “ASKME” (27563) on their mobile phone, consumers can access Merriam-Webster’s dictionaries and thesauruses for help with all those pesky word problems. The new app also puts users in touch with Merriam-Webster’s Word of the Day and Open Dictionary, which lets members create and submit their own new words and definitions. Registration is at www.merriam-webster.com and www.AskMeNow.com.

‘Proprietary DRM Isn’t Acceptable to Consumers’

“Proprietary systems aren’t acceptable to con-

sumers. In recent months, there has been a rising chorus of complaints in Europe about the anti-competitive nature of closed formats that tie music purchased from one company to that company’s devices, and tie that company’s devices to its music service.” - Eli Harari, founder and CEO of **SanDisk** which has joined **EMI**, **Yahoo** and, of course, **Apple** in calling for the music industry to stop using DRM on their digital tracks. They all point out that music on CDs have no copy protection.

On Fighting Off Apple’s iPhone

“It [Omnifone’s MusicStation mobile and online music service] is attractive to the networks because it allows them to keep control of their music business rather than simply hand it over to **Apple**. It looks as though the iPhone will not accept downloads, with users having to transfer their music from their computers. Rob Lewis, Omnifone CEO said, “They can buy an expensive device from Apple - or use our service on just about any of the world’s handsets and get their music wherever they want it.” Rory Cellan-Jones in a report for *BBC News*.

Telstra Boots Mobile Broadband to 14.4 Mbps

Telstra has quadrupled the peak speeds on its four-month-old Next G third-generation mobile network from 3.6 Mbps to 14.4 Mbps. Its Next G customers have downloaded three times more music than those on Telstra’s older 3G system. It’s also extended the cell range in some 40 regional centers from 50km to 200km. That’ll cover about 98.8% of Australia’s widely dispersed population.

Nokia, YouTube Partner Up

Nokia is working with **Google’s YouTube** to allow mobile devices to access YouTube videos via the upcoming mobile YouTube site. It’ll work with Nokia’s N-series products – downloadable software for existing gear and pre-installed on new handsets.

Love Was on the Net for 24 Hours

For the entire 24 hours that was February 14th (Valentine’s Day), **BroadwayWorld.com** played love songs from Broadway musicals. Included were compositions by some of the Great White Way’s best: Rodgers and Hammerstein, Rodgers and Hart, Jerome Kern, the Gershwins and Cole Porter.

The Online REPORTER is published weekly by: Rider Research;
13188 Perkins Road, Baton Rouge, LA 70810 USA; 225-769-7130; FAX 225-769-7166 www.riderresearch.com
Senior Editor: Susan Schrank (susan@riderresearch.com) 703-803-1023;
Senior Analyst: Charles Hall (Charles@riderresearch.com) Baton Rouge, LA 225-769-7130
North America Sales: (sales@riderresearch.com), 225-769-7130;
Production: Kelly Caulk, (quark@riderresearch.com)
Contributing Reporter: Brian Fontenot (brian@onlinereporter.com)

European Subscriptions: Simon Thompson (simon@riderresearch.com) Buckingham, UK +44 (0) 1 280 820 560
Subscription price: \$595 / €645 e-mail single reader. Available at quantity discounts to groups, departments and companies.
©Copyright 2007, Rider Research Inc. It is illegal to reproduce, copy, photocopy, forward, e-mail, publish, broadcast, post on an Internet/Intranet site, rewrite, store in a retrieval system or otherwise distribute this publication or any article in whole or in part by any means, mechanical, photocopying, recording or otherwise without the prior written permission of Rider Research.

The Rider Research Broadband Scorecard - Q4 2006 - Version 2.0

Listed by company name and continent

North America											
Company	Broadband Total (000)	Broadband Added/Lost (000)	% Change Over Qtr or Yr	Residential Phone Lines (000)	Phone Lines Added/Lost (000)	Pay TV Subscribers (000)	Pay TV Added/Lost (000)	Wireless Subscribers (000)	Wireless Subscribers Added/Lost (000)	Homes Passed (000)	As of
AT&T	8,529	381	4.7%	25,307	(332)	635	49	60,962	2,357		12/31/07
Bell Canada	2,462	59	2.5%	7,386	(183)	1,820	32	5,873	169		12/31/07
BellSouth	3,632	183	5.3%	11,842	(134)			see AT&T			12/31/07
Comcast	11,487	488	4.4%	1,855	508	24,161	110			47,400	12/31/07
EarthLink	1,886	9	0.5%								12/31/07
Embarq	1,017	84	9.0%	4,659	(72)			48	24		12/31/07
Qwest	2,138	165	8.4%			424	51	801	20		12/31/07
Time Warner Cable	6,644	1,005	17.8%	1,860	862	13,402	65				12/31/07
Verizon	6,982	409	6.2%	27,797	(726)			59,052	2,305		12/31/07
TOTAL	44,777	2,783		80,706	(77.0)	40,442	307	126,736	4,875	47,400	
Europe											
BSkyB	193	149	338.6%	223	28	3,212	409				12/31/07
BT Retail	3,219	239	8.0%	16,729	24						12/31/07
BT Wholesale	8,679	240	2.8%								12/31/07
Deutsche Telekom	10,280	(320)	-3.0%					106,419	14,819		12/31/07
Korean Telecom (KT)	6,353	19	0.3%	20,331	(60)						12/31/07
NTT East (Japan)	2,879	(114)	-3.8%	21,875	(761)			52,214	542		12/31/07
NTT West(Japan)	2,606	(74)	-2.8%	22,448	(867)			Figure listed above for East and West			12/31/07
SingTel (Singapore)	405	14	3.6%	1,026	(10)			1,766	66		12/31/07
SingTel - Optus (Australia)	728	52	7.7%					6,677	76		12/31/07
TeliaSonera (Norway)	172	4	2.4%					1,641	4		12/31/07
TeliaSonera (Finland)	412	17	4.3%					2,407	(29)		12/31/07
TeliaSonera (Sweden)	922	60	7.0%					4,603	99		12/31/07
TOTAL	36,848	286	4	82,632	(1,646)	3,212	409	175,727	15,577	0	

Time Warner Cable and Comcast numbers include the subscribers they acquired from the bankrupt Adelphia
BSkyB said that it had 259,000 broadband subscribers at the end of January 2007

Source: Rider Research and company reports

Updated: February 14, 2007

© Rider Research, publisher of The Online Reporter and Broadband & Home Networks