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The Association of Telecommunications Professionals, Inc.

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NEWSLETTER

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ATP December Meeting Notice

When: Wednesday, December 12, 2007

   Registration begins at 8:30 a.m., Meeting begins at 9:00 a.m.

Where: Franklin University

   Ross Auditorium

   Alumni Hall

   301 East Rich Street

   Columbus, OH 43215

     Map and directions: http://dictionary.reference.com/search?q=directions

Topic: Mobility in the Enterprise -- Wireless Workshop Program

Presenter: Joshua D. Jenkins, Mobility Application Consultant, AT&T, Indianapolis

ATP is pleased to present a workshop on planning and implementation of systems to support the mobile workforce. The format of this meeting will permit discussion with the presenter about applications of interest to the ATP membership. The scope of the workshop will include AT&T's wireless WAN and VPN services as well as handsets. We will pay special attention to back-end integration with both off-the-shelf and customized software.

Applications that we will consider include, in order, as time permits:

- Wireless E-mail

- Sales Force Automation

- Field Service Automation

- Asset Tracking and Automated Vehicle Location

Josh Jenkins has more than 17 years of wireless mobility experience, including four years with the US Army Signal Corps, two years with GTE Mobilenet, nine years with Sprint PCS, and the last two years with Cingular/AT&T Mobility.

This workshop will be extremely interactive, with the interests of attendees directing the discussion. Advance comments and questions are encouraged and can be sent to John Hoag, program chair, at hoagj@ohiou.edu.

The meeting fee is $20 for members and $30 for non-members. To pre-register, use the new ATP web site at http://atp-ohio.org. And don't forget, when you pre-register before the deadline (5 p.m. on Friday, October 5, 2007), your name is automatically entered in the drawing for a prize. Please register early so that we may have an accurate count for seating and lunch. Your pre-registration assists us in keeping our costs down. ⊗

Membership Dues Status
by **Sheila Schmitt**, *Treasurer*

The **ATP By–Laws** state that your yearly membership **dues are payable by the first meeting of the year.** To insure continued good standing in **ATP** it is necessary that the dues be brought up–to–date. **ATP Representatives who's Parent Organization has not paid its annual dues will be charged the $30 non–member meeting fee.**

If you have any questions regarding the Membership Status of your Organization, please contact **Sheila Schmitt** at (614) 628-8428 or by email at treasurer@atp–ohio.org. ⊗

Treasurer's Report
by **Sheila Schmitt**, *Treasurer*

The checking account has a balance of $5201.55 and the savings account has a balance of $13,863.59. Shelia also reported that we will be getting a new credit card machine and that the credit card company continues to contact Bryan instead of Sheila. We need to verify that they truly are National City Bank for this change.

ATP Board Minutes
September 14, 2007
by **Lora Chappelear-Pearson**,
Secretary

Meeting Attendees
Doug Ballou, Bryan Barlitt, Gina George, John Hoag, Larry Learn, Sheila Schmitt (phoned in), Wendell Mumaw, and Lora Chappelear-Pearson. The meeting was called to order at the Sound Communications office in Grove City.

October Meeting
John gave an update on the October meeting. Although the BCR training would have been a good topic, the cost became prohibitive for the October meeting. It did, however, bring up the issue of finances within the organization. The topic for October will be Network Operations software. Potential speakers are Time Warner Cable, HP, Ohio Health, and opens source operations. Time Warner uses both. Enterprise operations could also be option as could security. The meeting will be held at OCLC.

Topics for the December meeting discussed were Wireless, the BCR training session, WAAS (as a half meeting topic), and another open forum with members presenting. Perhaps it could be held at Franklin, with OCLC as the backup location. Topic is for the member forum could be WAAS, MPLS, wireless LANs and how to install at remote offices. Another idea could be to have Dick Keen from BCR present. We would need to

make sure that WAAS or MPLS does not become a sales pitch.

What topics do members want to see? Perhaps we can put something on the web site to fill out a questionnaire to get topics of interest. The questionnaire should include a list on topics plus a space to include additional topics.

If it is decided that the December meeting will be an open forum session, speakers need to be contacted now. Topic ideas should be sent to Bryan, copying all the board members. Wendell made a motion to create a questionnaire for the general member not to exceed $200. Gina seconded the motion.

The August meeting was discussed. The location, Platform Labs, worked well, but the food was expensive. More food was ordered than needed. Steve Grueter from Platforms Labs will be contacted to see if he's interested in holding a position on the board.

Nominations
Bryan as the first past president is the default committee chair. At this point, the list of candidates includes, secretary - Gina George, treasurer- Mark Garrett, directors at large – Paul Zawada, George Photakis, and Jody Hessler.

We've gotten away from the committees defined in the by laws. The membership should be asked if they would like to become more involved in ATP by serving on any of these committees. This could also be included in the survey.

Web Site
Bryan suggested using the web site as the main database rather than membership database. The newsletter is almost caught up. The orginal intent of the newsletter was as a forum of communication. Should all the items from the newsletter be included on the web site? This would include board and membership meeting minutes, Doug's article, and the calendar of events. The articles would need to someone to take on the role of editor prior to posting to the web site. It should also include the download directory with presentations on the web site. For now, the

secretary will submit articles to the president for editing and the newsletter will continue for now. Larry will send out an email as a reminder that the new information is available on the web site including Doug's Hot Topics article. This should be fine as well. The web site updates will start at the end of the year. Audio files need to be copied to the web site. Space is available.

Should we create a web site committee?

Name Change
No progress has been made on the name change or the statutory agent change. Wendell will try to get something together prior to the October meeting. We need to determine what will need to change with the new name and how this needs to be accomplished.

Membership
Doug reported the current membership total is 42 companies.

The question was raised if its time to get a debit card with no ready reserve? The card would stay with the treasurer. It may require a name on the card.

New Business
Are we encouraging people to not join with the new fee structure? Should non-member fee be increased to $40? Are we pricing out members? In reality, the ATP is a bargain for the information with BCR training jus tone benefit. Should we schedule BCR training as a special event with a separate fee?

Perhaps we should change to quarterly meetings with one special annual event? A special event could generate more money. A typical BCR seminar is approximately $2500 for a two day event. A twenty dollars meeting is a great value. Should we investigate vendor sponsored events? Larry pointed out that this would require a by laws change from bi-monthly to quarterly meetings.

Meeting topic ideas for next year were discussed. How do you integrate MACs and Windows in the same environment?

This could be a panel discussion similar to the annual regulatory meeting.

The meeting was adjourned.

ATP Meeting Minutes
October 10, 2007
by
Lora Chappelear-Pearson,
Secretary

The October meeting held at OCLC was called to order by Wendell Mumaw. Bryan Barlitt read the list of nominees for next year's officers. John Hoag will be President, Wendell Mumaw – 1st past president, Bryan Barlitt – 2nd past president, and Larry Learn – President Emertus, Vice President – Gina George, Secretary – Jeffery Brotherton, Treasurer-Mark Garrett, Directors at Large – Jody Hesseler, George Photakas, and Paul Zawada. Bryan called a point of order for any more nominees for the positions. The reply was no.

The first speaker was Erich Tavadia from Cisco Systems, Inc (http://www.cisco.com). Erich spoke about Wide Area Application Services, WAAS. Mr. Tavadia works with the advanced technologies group. As data centers become decentralized, performance to back to the main center may suffer even though centralizing can save money. One area of concern includes application performance. What are the bandwidth constraints and how will network and application latency affect the application? The branch infrastructure can also be impacted, including the server and storage management. Existing network demands such as VoIP and client/server applications.

Mr. Tavadia pointed out that most users now work in branch offices with everything at the branch office. The pendulum has now swung back to the centralized model with 80% of workers outside the headquarters. The distributed model has everything. The first generation model had file services back to the central location. The second, third and fourth generations had various degrees of applications. The estimated cost is $30-$40k per application/server. WAAS costs

approximately $10k saving $20-$30k. This is a good return on investment.

The goals of Cisco's WAAS are pure transparency. Integration is key. It uses robust optimizations and auto discovery. It consolidates the existing infrastructure allowing for the removal of servers and centralized data protection, saving WAN resources. Application acceleration is also provided. Application adapters and advanced compression and through put. It also provides seamless integration. No tunnel or parallel network is required. It can be installed in band or out of band. Transparency ensures compliance with network features including QoS, network management, security and optimized routing. The header information stays intact.

Mr. Tavadia gave an example of VoIP. WAAS eases the contention of bandwidth resources keeping it within the network QoS. Applications are designed for LANs. WANs have the opposite characteristics of LANs with much slower performance. WAAS overcomes this problem with hardware and software. The remote office has an appliance or card installed for the WAAS component along with an appliance at the central site. Some of the challenges found with acceleration are latency migration (protocol optimization), bandwidth management (data redundancy and compression), link throughput (transport flow optimization), traffic prioritization (Cisco IOS, QoS, Netflow) and local services centrally managed. TCP and TFO improve over standard TCP, in some cases as much as 400 times faster. With WAAS, you can create your own policies.

Advanced compression known as data redundancy elimination (DRE) gets up to 100 to 1 compression. Persistent LZ compression gets up to 10 to 1 compression. A LAN connection waits to transmit data. A lot of data transmitted can be eliminated with WAAS. Cisco supports different type of acceleration. One type is simple transparent in path deployment. Network integrated off path interception includes multiple WAAS applicances, policy based routing interception, and WCCP interception. Desk encryption helps reduce risk for sensitive data and uses standards based strong encryption.

All these deployments are seamlessly integrated.

Consolidated software distribution servers also reduce traffic. Pre-populate the cache to start the getting the performance benefits quickly. Cache should be populated during off hours to pre-load software to work efficiently. Examples of data to load into the cache include patches or all staff memos.

Mr. Tavadia then gave examples of acceleration rates. File sharing improves 100 times, email improves 100 times, web transactions and collaboration – 1000 times, software distribution 100 times, and back ups 50 times. Once loaded, subsequent operations are faster due to caching. He then discussed the different hardware options at the remote office. WAE cards or stand alone appliances are installed at the remote office. Core appliances are installed at the head quarters, either appliances or router modules.

What if the hard drive fails in the appliance? It will go back to line speed and will continue to work.

Acceleration for inband installations sits in the router. If it fails, the router can be configured to return to normal routing automatically. The WAAS devices fit between the LAN and WAN routers. The TCP headers are not encapsulated. The tunnel is then created.

Mr. Tavadia then discussed the positive aspects of the Central Manager. It provides comprehensive management, an intuitive interface, role based administration, a scalable architecture, and default policies. The reporting includes a device dashboard, traffic statistics, per connection stats, compression stats and acceleration stats. It also includes hold for NetQoS. It also provides performance monitoring. Print services can also be managed. It is not licensed per user but per service.

He then gave examples of successful installations. One company was able save $1 million by deploying WAAS. Another company realized a 50% savings using

video conferencing and video on demand. Their return on investment was only 12 months and were able to eliminate a T1 link.

Question: Are these any issues with key sharing and the justice department?

Answer: Not that Erich's aware of at this time.

Larry Phelps from OCLC, Inc, discussed his recent deployment of WAAS using Cicso's WAAS product in his test system. He was able to quickly configure and set up a test configuration to simulate a regional office to main office configuration using the WCP with the engine. His results using WAAS included web video at 3 times faster for non-accelerated traffic, file transfer 1-2 seconds from 70 seconds, and a speed test at 4 times faster for non-accelerated traffic. It was very easy to setup, but optimization could require additional training.

Mr. Tavadia then summarized the WAAS practice. Its strengths include transparency, network module ISR card, end to end application delivery, and it's enterprise ready with load balancing, scalability, and high availability. Many customers have deployed WAAS with much success.

Question: Does it support MPLS?

Answer: It's not an issue. WAAS is very agnostic.

Question: Since it doesn't alter TCP headers, MPLS should work?

Answer: Yes.

David Broeckelman-Post gave the next presentation on Network Management using Open Source Tools. Mr, Broeckelman-Post opened his discussion asking the question "What is it?" There really isn't a clear definition. It includes top level maintenance and administration of all networks. Events are trapped, correlated, and action is then taken. Synthetic monitoring is also done using simulated transactions and passive monitoring quickly. Some tools include

Big Brother , HP Openview, Nagios, and OpenNMS.

Standard capabilities include monitoring (interface up/down), correlation (recognizing when checks fail), and analysis enhanced correlation to minimize false alerts. Why have management? It is used to ensure services meet/exceed needs, identify issues before becoming problems, faster and better response to outages, measure use and identify traffic trends. The number of internet accessible hosts has increased drastically over the past few years.

Open Source is attractive since it's free, even though it really isn't. It still requires configuration, implementation and support. The total cost of ownership should be considered. This includes the price of acquisitions, hardware investment and man hours, training and integration, and maintenance, upgrades, and support. The benefits of open source software include faster patches for bug fixes and security exploits, faster feature deployment, and outside the box thinking. The community of users has access to the code and will come up with fixes and new features for the software.

Mr. Broeckelman-Post then discussed other options available for network management. Commercial subscription services are an option. They offer support for the software with upgrades, modules and plug-ins. Legal support is also provided. Turnkey systems are another option as well as consulting, and training. Two open source options Mr. Broeckleman-Post then discussed were nagios and Open NMS. Both tools can be installed by users or consultants. Nagios uses apache and was written in Perl. The configuration is done using a flat file. Open NMS also uses apache, can be lengthy to install, and uses java and XML.

The nagios initial setup is quick and painless to install. It is available with most current distribution of many flavors of unix. The configuration is a flat file of contacts. The status of contacts contains 3 states, good, warning, and critical. It could be better. Perl modules can be added as plugins. Maps are available, but id does not support auto discovery, just monitoring. Nagios can do both layer 2

and layer 3 if it is configured to support each.

The Open NMS setup can be challenging. RPMs and tar balls exist, but not for all platforms. YUM repository looks to improve startup time, but configuration issues still exist with java. Once Open NMS has been set up, the configuration is easy. It has network discovery. Little or no time is required to set up new node monitoring. It doesn't have maps. They aren't needed, but visual representation is valuable. It does have built in graphing of statistics. Nagios requires a separate graphing tool, such as CACTI. Open NMS supports seven state values. Mr. Broeckelman-Post is currently doing research with neural networking and shared some of his research with the membership.

Question: Do either of these products have a report generator?

Answer: Reports can be generated with the software on any service. Reports can show everything that has been collected.

In ATP tradition, Wendell mugged the speakers.

Business

The election of next year's officers was held. Gina George will be the Vice President, Jeffery Brotherton, Secretary, Mark Garrett, Treasurer, and Jody Hesseler and Paul Zawada, Directors at Large.

Membership

Doug Ballou reported the ATP currently has 42 members, 1 honorary member.

Treasurers Report

Sheila Schmitt gave the treasurers report. The checking account has a balance of $5195.60 and the savings account has $13874.17.

The next meeting will be held at Franklin University. A survey will be sent to the membership to help improve attendance.

The drawing for a gift certificate was won by Paul Zawada.

The meeting was adjourned.

Hot Topics in Telecommunications

(Regulatory, New Offerings, New Technologies and More)
September 2007
by **Doug Ballou**

Microsoft Corp. launched a Web site for managing personal health and medical information, but privacy advocates worry that neither the technology nor U.S. law will protect patients' most confidential details. Microsoft's **HealthVault** site is part filing cabinet, part library and part fax machine for an individual's or a family's medical records and notes. The free site can store medical histories, immunization and other records from doctors' offices and hospital visits, including data from devices like heart monitors. It is also tied to a health information search engine the software maker launched. Users can dole out access to different slices of their health data via e-mailed invitations to doctors, family members, and other people as the need arises.

Vonage said it had settled a patent suit filed by **Sprint Nextel Corp.** On Sept. 25, a jury in the U.S. District Court in Kansas City, Kan., found that Vonage infringed on six Sprint patents, and ordered Vonage to pay $69.5 million in damages. The settlement resolves all claims in that suit for $80 million. The settlement does not put all of Vonage's legal troubles behind it. In March, another jury awarded **Verizon Communications Inc.** $58 million damages, plus 5.5 percent royalties on future revenues after finding that Vonage violated three Verizon patents. Litigation continues in that suit.

Sprint's board pushed out **Chairman and Chief Executive Gary Forsee**, complaining over the cell phone carrier's financial results, which have lagged since the massive **Sprint-Nextel** merger engineered by Forsee. The board said it was searching for a replacement for Forsee, who also was President. Sprint also said it expects to report a net loss of approximately 337,000 monthly subscribers in the third quarter. Its operating income, excluding some items, is expected to fall below the previously forecast range of $11 billion to $11.5 billion. Revenue is expected to fall below

the earlier forecast of $41 billion to $42 billion.

Nokia Oyj, the world's biggest mobile-phone company, agreed to buy **Navteq Corp.** for $8.1 billion to gain digital maps of 69 countries and compete with **TomTom NV** in the market for navigation devices. Nokia will pay $78 in cash for each share of Chicago-based Navteq, the largest maker of maps used in car-navigation equipment. The acquisition, Nokia's biggest, will add maps to the company's phones after models with cameras and music players fueled a 74 percent increase in profit in the first half of this year.

AT&T, announced plans to **ease termination fees** and allow customers to more easily **change contract terms**. San Antonio-based AT&T's announcement follows similar ones by rival **Verizon Wireless**, which eased contract change requirements and early-termination fees. Starting in November, AT&T customers who change calling plans during their contract period will no longer be forced to extend the contract or enter a new one.

Paetec Holding, the U.S. phone company focused on corporate customers, agreed to buy closely held **McLeodUSA** for $492 million in stock to gain its high-speed fiber-optic network. McLeodUSA, which operates in Denver, Detroit, Phoenix, and other U.S. cities, will increase Paetec's subscribers by almost a third, with customers in almost all the top 50 U.S. markets. The deal also will allow Paetec, which has no fiber-optic networks, to offer high-speed phone and Internet access via McLeodUSA's network, which spans 20 states.

Google is close to unveiling its long-planned strategy to shake up the wireless market. The Web giant's ambitious goal: to make applications and services as accessible on cell phones as they are on the Internet. Google wants to make it easier

for cell phone customers to get a variety of extra services on their phones -- from maps to social-networking features to video-sharing. To get its way, however, the search giant will have to overcome resistance from wireless carriers and deal with potentially thorny security and privacy issues. Google is trying to loosen the grip wireless carriers have over the software and services consumers can access on cell phones. Google is expected to announce advanced software and services that would allow handset makers to bring Google-powered phones to market by the middle of next year.

Wireless phone provider **MetroPCS Communications Inc.** publicly offered to buy **Leap Wireless International Inc.**, a regional rival, for more than $5 billion in stock, a long-anticipated move that would create a nationwide wireless carrier dedicated to the discount market. Dallas-based MetroPCS offered to give investors in San Diego-based Leap Wireless 2.75 shares for every Leap share they own. MetroPCS would also assume $2 billion in debt. The companies are among the fastest-growing wireless providers in the country and target subscribers by using a lower-cost structure to compete with the bigger carriers on price.

At an exclusive high-tech conference in San Francisco, one startup, **Powerset**, demonstrated that it is pursuing a particularly challenging goal: it is aiming to outshine **Google** with a unique new search engine**.** After nearly two years of hushed development, Powerset is finally providing a peek at a **"natural-language"** technology that is supposed to make it easier to communicate with search engines. Powerset's algorithms are programmed to understand search requests submitted in plain English, a change from the **"key-word"** system used by **Google Inc.**, **Yahoo Inc.**, **Microsoft Corp.**, and the owners of the other leading engines.

AOL stepped up its transformation from Internet access provider into an ad-driven business as it announced plans to move its corporate headquarters and consolidate its advertising operations. AOL's senior executives, ad sales representatives and content producers will move next spring to New York's Greenwich Village, bringing them closer to

the heart of the media-advertising industry. AOL is currently based in Dulles, VA. The company, which since last August has cut some 5,000 jobs, or roughly a quarter of its global work force, expects to retain a large presence in Dulles, as well as in Mountain View, Calif., Bangalore, India, and other locations.

Internet search leader **Google Inc.** began hosting material produced by **The Associated Press** and three other news services on its own Web site instead of only sending readers to other destinations. The change affects hundreds of stories and photographs distributed each day by the **AP, Agency France-Presse**, **The Press Association in the United Kingdom**, and **The Canadian Press.** It could diminish Internet traffic to other media sites where those stories and photos are also found – a development that could reduce the online advertising revenue of newspapers and broadcasters.

Clear Channel gave the OK to a $19.5 billion buyout offer from a private-equity group led by **Thomas H. Lee Partners LP** and **Bain Capital Partners LLC.** The offer was first announced in November but was sweetened after some large shareholders signaled they would oppose earlier offers. The latest offer was $39.20 per share in cash or stock in what would be a privately owned company. Current shareholders could end up with as much as 30 percent of the new company.

Bain Capital Partners will submit for a national security review its planned $2.2 billion buyout of network equipment maker **3Com Corp.** to address concerns about a Chinese telecommunications company's minority stake.

Verizon Wireless is launching a cell phone that looks a lot like **Apple Inc.'s iPhone**. Like the iPhone, the **LG Voyager** features a large touch screen, a camera and extensive multimedia, Web browsing and e-mail capabilities. However, it one-ups the iPhone by folding open lengthwise to reveal a QWERTY keyboard and a second, non-touch sensitive screen. The lack of a hardware keyboard has been one of the main complaints about the iPhone. The Voyager will connect to Verizon Wireless' latest data network, providing speeds much higher than the **AT&T** network the iPhone uses.

Congress took the first steps to ensure that people who registered for the national **Do Not Call** list won't be inundated next year with telemarketing calls at dinnertime. At separate **House** and **Senate** committee sessions, lawmakers passed legislation that makes most of the 145 million phone numbers on the list permanent by eliminating a five-year expiration date established by the **FTC**, which administers the program.

Software giant **Oracle** made a big move to dominate the market for so-called "middleware," revealing an unsolicited bid to buy **BEA Systems** for about $6.7 billion. It would be Oracle's largest acquisition since **PeopleSoft** in 2004 and would add to the company's goal of competing with **IBM** and **SAP** in offering software that integrates computer servers and databases with applications that integrate computer servers and databases with applications on the Internet. BEA rejected Oracle's offer, but appeared to invite a higher bid.

Google Inc. passed **Microsoft** to become the most visited U.S. Internet site, according to research firm **Nielsen NetRatings**. Google's visitors rose 17 percent to 118 million in September from a year earlier, ahead of Microsoft and **Yahoo!**

Verizon Wireless and **Sprint Nextel** are in "advanced talks" with **Google** about carrying a cell phone powered by the web company's software. The **Wall Street Journal** said Google is expected to announce very shortly a set of software and services that cell phone makers could use. The software probably allows third parties to add applications, and it would probably be able to take advantage of Google's advertising network.

Rapidly rising Internet star **Facebook Inc.** has sold a 1.6 percent stake to **Microsoft** for $240 million, spurning a competing offer from **Google**. Culminating weeks of negotiations, the Microsoft investment was announced at $15 billion – a stunning figure for an online hangout started in a **Harvard University** dorm room less than four years ago. Microsoft also will sell Internet ads for Facebook as the site expands outside the United States, broadening a marketing relationship that began last year. Facebook hopes to become an advertising magnet by increasing its current worldwide audience of nearly 50 million active users.

BlackBerry maker **Research in Motion Ltd.** announced it has launched software that will make it easier for Facebook users to use the popular social networking site. The site has already been available through the BlackBerry's Web browser, but the new software will allow BlackBerry users to automatically receive Facebook messages like they receive email on the BlackBerry. RIM said users would be able to wirelessly send and view Facebook photos, pokes, and Wall posts. **T-Mobile USA** will be the first carrier to provide the new application to its customers as a free download.

Microsoft said its fiscal first-quarter profit rose 23 percent as brisk sales of the new "Halo 3" video game, Windows, and Office helped the software maker breeze past **Wall Street's** expectations. For the quarter ended Sept. 30, the software maker's profit climbed to $4.29 billion, or 45 cents per share, from $3.48 billion, or 35 cents per share, during the same period last year. Revenue grew 27 percent to $13.76 billion from $10.81 billion in the year-ago quarter, beating analysts' forecast by more than $1 billion.

Shareholders rejected a $10.6 billion bid from the **Dolans family** to take **Cablevision** private, clearly seeing the company as more valuable than the price the Dolans had agreed to pay. Large Cablevision shareholders, Wall Street analysts and shareholder advisory firms all opposed the Dolans' effort to take the company private.

Comcast Corp. acknowledged "delaying" some subscriber Internet traffic, but said any roadblocks it puts up are temporary and intended to improve surfing for other users. The statement was a response to an **Associated Press** report that detailed how the nation's largest cable company was interfering with file sharing by some of its Internet subscribers.

Comcast has repeatedly denied blocking any Internet application.

Apple Inc.'s fiscal fourth-quarter profit jumped 67 percent to cap a year that saw unprecedented momentum in its Macintosh computer business, continued demand for iPods and the successful launch of the iPhone. For the three months that ended Sept. 30, Apple said it earned $904 million, or $1.01 per share, compared with $542 million, or 62 cents per share, in the year-ago quarter. Revenue totaled $6.22 billion, compared with $4.84 billion in the same quarter last year. In the first full quarter of iPhone sales, Apple said it sold 1.12 million units, bringing the cumulative total to 1.39 million since the product debuted June 29.

Google rode the Internet advertising wave to another sparkling quarter. Overcoming a traditionally slow season for Web surfing, Google said that it earned $1.07 billion, or $3.38 per share, for the three months ended in September. That was a 46 percent improvement from net income of $733.4 million, or $2.36 per share, at the same time last year. Revenue for the period totaled $4.23 billion, a 57 percent increase from $2.69 billion last year.

Time Warner Cable launched **Pivot,** an offering that integrates **Sprint's** wireless phone service with Time Warner's digital cable, digital phone and RoadRunner Internet service. Northeast Ohio is the 13th Time Warner market to get Pivot. Features include free calls between a customer's wireless and home phones and several mobile multimedia options. New York-based Time Warner is among four cable companies that have announced partnerships with Sprint. The integrated service offering will allow those cable companies to better compete with **AT&T** and **Verizon**, which offer similar bundles.

The House overwhelmingly approved **a four-year extension** of a moratorium on state and local taxes on **Internet** access, despite widespread support in both parties for a permanent ban. The tax ban, first passed in 1998, was set to expire Nov. 1. The extension exempts some states that approved taxes before the original enactment. The bill to extend the tax break fell short of the permanent exemption that many lawmakers favor.

Leopard forged into the computing world. **Apple** released its newest operating system, one in a long line named after cats, on Oct. 26. The new system will include 300 new features, including **Stacks**, which will allow users a new way to access files and will spring up accordion-style from the dock. Another highlight is expected to be **Time Machine**, a quick way to automatically back up everything on Mac.

In an apparent about-face, **Apple** will allow third-party applications to work directly on the **iPhone**. Apple infuriated developers and some iPhone users when it issued a software update Sept. 27 that disabled unofficial programs installed on the handsets. Apple had tried to control which applications consumers had on their iPhones. Now, the company intends to release a software development kit in February that will let coders create applications to work directly on the iPhone and the iPod Touch.

Touch screens are the big new things in cell phones this holiday season. **Sprint Nextel** announced it is jumping on the bandwagon with the **Touch** by HTC. Like **Apple's** iPhone, this smart phone has only a few buttons and is designed to be controlled by touching the screen. The Touch will go on sale Nov. 4 for $250 with a two-year contract.

A majority of companies put **confidential data** at risk every day when equipment such as servers, desktops, laptops, and portable storage devices leave their network, according to a recent survey of 735 IT security practitioners conducted by **Ponemon Institute**. The survey found that the vast majority of data breaches reported involve unprotected information on devices that go off the network for relocation, repair, or disposal. Off-network security is neglected because the perceived cost and management implications are intimidating for most organizations.

IBM shook up its Web conferencing strategy, adding a hosted option by acquiring **WebDialogs** and expanding its Sametime on-premise presence and conferencing platform. The WebDialogs acquisition, for which terms were not announced, propels IBM into a market against **Cisco** and **Microsoft**.

Verizon has come out on top in **J.D.Power and Associates'** latest wireless-call quality study, garnering the highest rating in four out of six U.S. regions studied. The study ranks carriers based on customer-reported problems, such as dropped calls, static, and voice distortion. According to J.D. Power's call-quality index rankings, Verizon has the highest call quality in the Northeast, Mid-Atlantic, Southeast and West regions. **U.S. Cellular** is tops in the North Central region, while **AT&T** has the highest ranking in the Southwest. **Alltel** is tied with Verizon for No. 1 in the Southeast. Overall, the study found that the quality of wireless calls has been improving steadily for the past three years. In particular, it noted that the number of customer-reported call problems dropped from 21 per 100 calls over the same reporting period last year to 15 per 100 calls this year.

Financially motivated malware attacks are on the rise, with automated software packages making it easy for unskilled hackers to earn a living by sending out spam, researchers at messaging security vendor **Secure Computing** say. Information-stealing malware now accounts for 10 percent of all threats, up from 8 percent in January. Trojans comprise 63 percent of all newly discovered malware, up from 58 percent in January. Spyware and phishing also are becoming more problematic as attackers use more-targeted attacks to steal personal and financial information.

A district judge has struck down a part of the antiterrorism-inspired **Patriot Act** that requires telephone companies and ISPs to turn over records to the government without telling customers. **Judge Victor Marrero** from the Southern District of New York ruled that the Patriot Act provision that allows the FBI to obtain ISP and telecom subscribers' billing, calling and Web surfing records without court approval violates the Constitution. Marrero ordered the **FBI** and the **Department of Justice** to stop issuing so-called national security letters (NSL),

requiring ISPs to turn over subscriber records. The NSL program prohibited ISPs from telling customers they were being investigated.

IT shops that **outsource** infrastructure management and application services can expect to save 12 percent to 17 percent annually on average, which means U.S. companies are sitting on about $10 billion in potential savings, according to a new **Forrester Research** report. The firm concluded that U.S. companies, which spent close to $150 billion for all IT services and outsourcing in 2006, could reap more rewards by crafting better contracts.

Citrix Systems has bought **QuickTree**, a software developer focused on improving security and performance for XML and Web services. QuickTree software can be added to network gear to guard against attacks carried within XML traffic. The company's XML Security Module (SXM) processes and inspects XML traffic as it passes through these devices, such as firewalls, load balancers, and SSLV VPN gateways. Citrix says it plans to add these capabilities to its NetScaler application-acceleration platform, WANScaler WAN-optimization gear and to its Citrix Access Gateway SSL VPN device. Competitors include **Layer 7**, **Cisco**, with its purchase of **Reactivity**, and **Forum Systems**. Citrix did not disclose how much it paid for QuickTree.

Skype users are under attack from a **worm** that spreads through the Internet phone's chat feature. The attack begins when a user receives an instant message containing a link from someone in their contact list or an unknown Skype user. The link appears to contain a JPEG photo file, but is actually malicious software.

Now that Wi-Fi market share leader, **Cisco**, has turned up the volume on **802.11n**, enterprises are likely to get more serious about planning for the high-speed wireless LAN. Common thinking has been for enterprises to wait until the IEEE ratifies final 802.11n standards late next year to begin installing products. Products announced so far, by Cisco and others, function under the Draft 2.0 version of the emerging 802.11n standard and may not be 100 percent compatible with fully standards-based products in the future.

We all know that email is discoverable in court proceedings, that regulators can demand email during audits or other inquiries, and that internal requestors will periodically request copies of email for a variety of purposes. In a unified communication system in which **voice mail** is delivered to an inbox, voice messages are also a message, technically identical to an email in many respects. The new amendments to the **Federal Rules of Civil Procedure (also know as e-discovery)** require "Electronically Stored Information" to be part of the discovery process earlier in legal actions. **Digital bits that store voice are legally no different than digital bits that store emails or instant messages**.

The **Computing Technology Industry Association (CompTIA)** study, based on data collected from more than 1,000 IT professionals, revealed that 34 percent of organizations reported a major security breach in 2006, down from 38 percent in 2005 and 58 percent in 2004. Respondents, however, rated the average severity of breaches as 4.8 (with 10 being most severe), up from 2.3 to 2.6 in previous years.

With its cash reserves running out and its legal case against **IBM** unraveling, the **SCO Group** now says there is doubt that it will remain afloat. SCO made the statement in its most recent quarterly SEC statement. The company cited its recent motion for **Chapter 11** bankruptcy protection, as well as a court setback relating to its intellectual-property claims, as reasons for worry. A **U.S. District Court judge** ruled against SCO on several motions, finding that **Novell,** rather than SCO, owned the **Unix** copyright. Novell had sold SCO some Unix rights in the mid-1990s, but the court said that copyright was never assigned. "As a result of both the Court's August 10, 2007 ruling and the Company's entry into Chapter 11, there is substantial doubt about the Company's ability to continue as a growing concern," SCO said.

By 2011, at least 80 percent of commercial software will contain significant amount of **open source code,** according to **Gartner**. For enterprises, the important thing is to set guidelines on where and when open source products are to be used, said **Gartner Analyst Mark Driver** at the firm's Open Source Summit in Las Vegas. IT shops are scrambling to set open source policies, but almost no one has implemented one with any teeth. It's better to avoid open source altogether than not to supervise its adoption, according to Driver.

Cisco said it will purchase privately held **Cognio**, a maker of spectrum-analysis and management systems for wireless networks. Terms of the acquisition were not disclosed. The Cognio acquisition is expected to close in the first quarter of Cisco's 2008 fiscal year. The deal will be acquisition No. 122 for Cisco.

Internet traffic growth rates are slowing down, according to a new Web site at the **University of Minnesota**. The **Minnesota Internet Traffic Studies site** shows that Internet traffic growth rates have settled in at about 50 percent to 60 percent in the United States and worldwide as the Internet matures. That's a far cry from the doubling rates every year or even every 100 days that some claimed in the mid-to-late 1990s.

A Silicon Valley startup will begin selling $399 gadgets that consumers with broadband Internet service can use to make unlimited free domestic phone calls. Backed by $27 million in venture capital, **Ooma Inc.** has distributed 1,500 beta units, which have handled 325,000 calls. The system works like peer-to-peer and is distributed through both cable and DSL lines. While traditional phone switches connect a local toll call or a long-distance call through the public switched telephone network, Ooma uses the Internet to connect the long distance portion of calls for free. For more information, go to **Ooma.com**.

Nortel replaced its enterprise chief. After 20 years with Nortel, **Enterprise Solutions President Steve Slattery** is leaving the company Oct. 1. Taking over immediately, however, is **Joel Hackney,** Nortel's former Senior Vice President of Global Operations and Quality, and

another of **CEO Mike Zafirovski's** colleagues from **General Electric.**

The **EPA** recently proclaimed that data centers consumed 61 billion kilowatt-hours of electricity in 2006. That's roughly 1.6 percent of total U.S. electricity consumption and is worth about $4.5 billion. Assuming current trends continue, by 2011 the national energy consumption by data centers is expected to nearly double, making energy efficiency a top priority for CIOs.

Lexmark International will transfer roughly 1,650 jobs to low-cost countries by the end of 2008.

Adoption of **Microsoft's Vista** isn't slipping because of technical gotchas, but rather because of the repeated delays that have knocked it out of sync with corporate upgrade cycles. That has led many companies to sit tight on standardized **Windows XP** desktops. Questions have been swirling about what's wrong with Vista, which shipped nearly a year ago and has seen lukewarm reception at best from the IT community. The fact is that many companies finally have stabilized users and applications on XP and have little interest in launching into the testing and management of an operating system whose compelling features are a handful of security and performance boosts. Vista's reviews do include some technical concerns, but complaints concerning device-driver availability, application compatibility and user-account control features have not been outside the scope of the technical issues raised about previous Microsoft operating-system releases. Perhaps the one true failure of Vista is that Microsoft again was unsuccessful in stamping out the perception that a new Windows operating system isn't worthy until the first service pack. **Vista Service Pack 1** won't ship until early 2008.

A forthcoming study by **Forrester Research** shows that 52 percent of respondents have no plans to roll out **Vista** or don't know when they might do it. The study shows 11 percent don't plan to start a rollout until 2009, and another 6 percent are waiting until 2010. The study also shows that 88 percent of companies with 5,000 to 20,000 users have standardized on

XP. In fact, demand for XP is still so strong that users forced **Microsoft** to extend XP SP2's availability another five months until **June 30, 2008** on an OEM basis and from retail channels.

Fibre Channel is the king of enterprise storage-area-network technologies. **Internet Small Computer System Interface (iSCSI)**, however, is the heir apparent. When it comes to new **Storage Area Networks (SANs)**, add-ons to existing systems or departmental-level installations at large enterprises that have Fibre Channel, customers increasingly are choosing iSCSI. And when iSCSI over 10Gigabit Ethernet comes online, the biggest remaining hurdle to adopting iSCSI storage – its perceived slow performance – will fall. At that point, iSCSI will become the storage interconnection transport of choice across the enterprise. Analysts expect support for 10G Ethernet will be built into enterprise storage arrays and servers within the next three years.

IT buyers won't deviate from **spending plans** this year, but new survey data from **Goldman Sachs** suggests many will cut costs and slow investments in 2008. Forty percent of respondents indicated their IT spending in 2008 would be the same or less than in 2007, and nearly 30 percent expect budget increases to be less than 5 percent. Meanwhile, close to 80 percent of managers polled said cost cutting was either a high or medium priority in 2008.

The **Internet Research Task Force (IRTF)** is searching for a new routing architecture that would improve the Internet's ability to scale to support potentially billions of new users in developing countries. The IRTF is a sister organization of the **Internet Engineering Task Force (IETF)**. Under debate by the IRTF is how the Internet's backbone routers operate. Owned by carriers and some large corporations and government agencies, these backbone routers run **Border Gateway Protocol (BG)** to exchange routing information across the many interconnected networks that form the Internet.

Apple has been very quiet on the topic of unlocking the **iPhone**, which

allows it to work with other wireless carriers. However, the company has issued a stern warning to users that their iPhone may be permanently inoperable if they use the various unlocking software available on the Internet.

IBM reported that **Symphony**, its free rival to **Microsoft's Office suite**, was downloaded 100,000 times in the first week of release. Symphony is based on OpenOffice.org and the Eclipse framework, and is meant not only to give consumers and businesses an alternative to Microsoft Office, but also to promote the use of Open Document for XML and XML-based standards for documents approved by the **International Organization for Standardization**.

Garmin, the world's largest maker of personal navigation devices, unveiled an unsolicited $3.3 billion takeover offer for Dutch digital mapmaker **Tele Atlas**.

Alcatel-Lucent said it is slashing another 4,000 jobs to cut costs after reporting a loss of about $373 million for the third quarter. **CEO Patricia Russo**, under pressure to produce better returns, called the latest results unsatisfactory. She said the French-American manufacturer's chief financial officer will soon step down. The job cuts are in addition to the 12,500 announced in February.

Qwest has cut its earnings outlook for the year, though its quarterly profit rose with the help of a tax benefit and cost cuts. Qwest reported a third quarter profit of $2.1 billion, or $1.08 per share, including a $2.15 billion income tax benefit and $353 million in charges related to the settlement of a shareholder litigation case. A year earlier, it posted a profit of $194 million, or 9 cents per share.

AT&T reported 3rd quarter net income rose 42 percent to $3.1 billion compared to the same period a year ago.

Microsoft, seeking to expand in the medical sector, has agreed to acquire the assets of a privately held, Thailand-based health information system company **Global Care Solutions Ltd.**, or GCS, which specializes in creating software

modules for hospitals' clinical and administrative operations, allowing them to run more smoothly. Financial terms were not disclosed.

EBay division **Skype** and **mobile phone group 3** have launched a mobile handset that allows Skype users to make free Internet calls to each other while on the move. The new Skypephone can also send free Skype instant messages.

Apple has posted a support document on its Web site addressing reports of interminable "blue screen" problems that caused some Mac users upgrading to **Mac OS X Leopard** no small degree of frustration. Some attempts to upgrade to Leopard were stymied after the installation process was almost complete and users attempted to restart their machines. Macs would get hung up on the initial boot screen.

Covad Communications Group has sold out to the private equity firm **Platinum Equity** for $304 million in cash. Covad, which offers a slew of telecommunications services such as DSL, voice over IP, broadband wireless, and Web hosting to ISP's and small and midsize businesses and home users, is the latest in a long line of technology companies to be gobbled up by private equity firms.

Social networking sites such as **Facebook** and **LinkedIn** have become the most effective ways to find information technology staff. Some 58 percent of IT recruitment consultants rate social networking sites as more useful for filling vacancies than advertisements in the print media. About 49 percent found social networking sites more useful than Internet banner ads in finding staff. Some 83 percent of IT recruiters use social networking sites to find staff.

In the 1970s, **Vint Cerf** played a leading role in developing the Internet's technical foundation. For the past seven years, he has faced the more daunting task of leading a key agency that oversees his creation. After fending off an international rebellion and planting the seeds for streamlining operations, Cerf is stepping

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down as **Chairman of the Internet Corporation of Assigned Names and Numbers (ICANN)**.

Wireless subscribers of **Sprint Nextel** may no longer have to buy a new phone if they jump to a new carrier. As part of a proposed class-action settlement, this mobile phone service provider has agreed to provide departing Sprint PCS customers with the code necessary to unlock their phones' software. That would allow the phones to operate on any network using code division multiple access technology, or CDMA. Competitors using that technology include **Verizon Wireless** and **Alltel Corp.**, although the Sprint handset would still have to meet those networks' technical standards to work. The codes won't work for Sprint's Nextel-branded phones, which use **iDEN** technology, and don't allow switching to **AT&T** or **T-Mobile**, which use global system for mobile communication, or **GSM,** technology. As an aside, Sprint/Nextel is terminating its "walkie talkie" service and replacing it with **Motorola's Qchat technology**.

IBM will buy **NovusCG**, a privately held storage solutions company based in Manassas, Virginia.

A new service from **AT&T** does more than just take the "pages" out of the yellow pages. The company has rolled out **1-800-YellowPages**, a free service for

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residents of Ohio and 22 other states that allows in-state callers to receive a listing for a business or a business category. While the service gives callers access to all listed business numbers in the state, companies can pay to advertise to callers who might find themselves in a category but without a specific business in mind. The service is automated and manned by a staff in Connecticut.

Google acquired **Jaiku,** one of a new class of start-ups offering instant messaging tools for Web and cell users.

Business software maker **SAP** is buying **Business Objects** in a deal worth $6.8 billion. The purchase, SAP's biggest since it was founded in 1972, is a change for the company. Business Objects, which is based in Paris, will continue to operate as a stand-alone company. The deal is expected to close in the first quarter of 2008, if Business Objects shareholders approve it and regulators clear it.

Accenture will buy privately held technology-consulting firm **Corliant**.

And on the **Gee Whiz!** front, **IBM** has demonstrated how to perform certain computer functions on single atoms and molecules, a discovery that could someday lead to processors the size of a speck of dust. IBM researchers also said they had used an individual molecule as an electric switch that could potentially replace the transistors used in modern chips. The new technologies are at least 10 years from being used for components in commercial products.

More next issue!

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