



Volume **XXVIII**  
September/October 2007

# The Association of Telecommunications Professionals, Inc.

## **NEWSLETTER**

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### ATP October Meeting Notice

**When: Wednesday, October 10, 2007**

Registration begins 8:30 a.m.

Meeting begins at 9:00 a.m.

**Where: OCLC, Inc.**

6565 Frantz Rd.

Dublin, OH

(Kilgour Building - enter from the East)

(Free parking is available)

**Topic: Part 1 – Cisco Systems' Wide Area Application  
Acceleration Service (WAAS)**

**Part 2 – Network Management Using Open Source Tools**

*This is also the Annual Meeting for the organization. Officers and directors will be nominated and elected.*

ATP is pleased to present two significant topics in today's complex and challenging network environment.

**Erich Tavadia**, Cisco Product Sales Specialist, will give an overview of the Cisco WAAS and all its advanced functionality. Topics covered will include an architectural overview of WAAS, how the product works, and the reduction in WAN traffic, as well as how to centralize all critical file serving data and storage in your enterprise, how to remove remote tape backups, Cisco's roadmap for WAAS and common deployment.

**Mr. Tavadia** works in Cisco's Advanced Technology Data Center group. Cisco's Data Center group represents several aspects of today's industry-leading technology including Wide Area Application Services, Storage, Load Balancing, High performance computing and blade center solutions. Prior to joining Cisco, Erich spent 20 years in the industry working for storage and server companies based in Silicon Valley. He holds degrees in Electrical Engineering, computer science and mathematics.

**David L. Broeckelman-Post**, Chief Technology Officer, Frognet ISP in Athens, Ohio will present the Open Source Network Management portion of the meeting. Mr. Post is a graduate student in telecommunications from Ohio University. Mr. Post is an experienced IP network manager and system administrator, having implemented many open source Network Management System (NMS) components in a production ISP and having researched other tools in a university setting. He will discuss Nagios and OpenNMS as deployed on Linux and configured to monitor both network performance and security. He has prototyped the available open source links between NMS and Operational Support System (OSS) software, and in his university research, he developed a neural network (NN) system to extend monitoring to new network elements.

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](mailto:treasurer@atp-ohio.org). ☒

## Treasurer's Report

by **Sheila Schmitt**, *Treasurer*

Treasurer **Sheila Schmitt** reports that as of September 14, 2007, there was \$13,863.59 in savings and \$5,201.55 in checking. ☒

## ATP Board Minutes

July 13, 2007

by **Lora Chappelle-Pearson**,  
*Secretary*

### Meeting Attendees

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

### August Meeting

John gave an update on the August meeting. Infrastructure is the main topic. Larry attended a meeting where System X gave a presentation on servers and environmental. He will contact the speaker from the presentation to see if they would be interested in speaking. Topics for the meeting include a speaker from Fishel, recent installation, either Ohio Health or Abercrombie (Jed will pursue), power (either Emerson/Liebert or AEP\_, and contract Data Center (Charlie Rinehart from Springfield data center), disaster recovery or newly built – Nexis/Lexis. Burgess and Nipple could also be a

possible speaker. They do a lot of HVAC for data centers. Comscope is another idea.

Within each of the topic areas, we will attempt to get a speaker from two topics. Fishel is an ATP member. From Abercrombie, Greg Lowe would need to be in the first half of the meeting due to a

### 2007 ATP Calendar

#### September 14 (8:30a.m.)

Board Meeting

Sound Communications

#### October 19 (8:30a.m.)

Annual Meeting

"TBA"

TBA

#### November 9 (8:30a.m.)

Board Meeting

Sound Communications

#### December 12 (8:30a.m.)

General Meeting

"TBA."

TBA

scheduling conflict. The meeting could be held at OCLC and perhaps tour the UPS facilities. The Pickerington OU facility is another potential site as is Platform Labs on Kinnear Road. Catering would be required at all these sites. Is Ohio Health another potential site? We can also check with members. Doug will contact Comscope and Fishel. Wendell with contact Charlie and the Platform Labs.

The October meeting topic will be Wireless and convergence with unified messaging at OCLC. A topic suggestion for the December meeting could concentrate on the PBX side. Dick Kean could be a speaker for this topic.

### Nominations

Bryan as the first past president is the default committee chair. He will contact a potential candidate for VP. The secretary and At Large board members are open.

### Education

We haven't spent much money on membership education recently. This does not preclude scholarship funds. Do we

### ATP HOTLINE

The phone number for the ATP HOTLINE is (866) 765-1960.

want to reestablish the education committee to fulfill our education requirement as part of our charter? We should consider having BCR present for the December meeting. Who needs to be involved in the decision for spending money for training? Larry, Wendell, Doug and John volunteered to take on this task. BCR will negotiate on the price and condense the training session to a morning only session. In the past, they have agreed to allow us to print out the handouts at a savings. The cost for this meeting will include travel expenses for the speaker.

### 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 August meeting. We need to determine what will need to change with the new name and how this needs to be accomplished.

Along with the name change, we need to reestablish a schedule of events. The teaser for the membership meetings are issued at the end of the month prior to the meeting, the bimonthly newsletter needs to come out at the beginning of the first month in PDF format rather than a Word document. The charter requires that the secretary and treasurers report are included in the newsletter. A checklist for the organization would be helpful.

### Membership

Doug reported the OCC will be a second honorary member along with the PUCO. Larry will contact the OCC. Two new companies are interested in becoming members.

### Treasurer Report

Sheila gave the treasurer's report. The checking account has a balance of \$5178.06 and the savings account has a balance of \$13,839.81. The board will need to vote on recommended fees and the budget for next year.

Our credit card company has been acquired. We may need to upgrade our

processing machine but it should be without any cost to ATP.

The question was raised if the post cards are still useful. More cards are being sent for each meeting. Perhaps we should merge the ATP info list with the mailing list and only send post cards to member not receiving the emails. At this time, we will continue to send post cards to everyone.

### **New Business**

Sheila reported the status of the 800 number. It is working well, but has not been used yet. Should we terminate the hot line number? An email update should be sent out and included on the web site.

The meeting was adjourned.

## **ATP Meeting Minutes**

August 8, 2007

by **Wendell Mumaw** (*for*)

**Lora Chappellear-Pearson,**  
*Secretary*

### **Data Center Success Stories**

Wendell Mumaw opened the meeting by introducing Stephen Greuter, Director of Platform Labs, Inc. The August ATP meeting was held at Platform Labs and Mr. Greuter provided a short overview of his organization's capabilities, benefits to entrepreneurial efforts and some examples of their successes. Platform Labs has 29 member organizations. Eighty-six percent of the firms that have tested at Platform Labs are still in existence with an average pay of \$63,000 per employee.

Wendell then introduced Gregg Lowe, Senior Manager of Operations, of Abercrombie and Fitch. Mr. Lowe's presentation focused on managing the data center and the information Technology International Library (ITIL). ITIL is an infrastructure library and methodology that can be developed to maintain data center space and planning for future data center space. Mr. Lowe showed several examples of poor wiring management and poor disaster recovery planning. Space, air conditioning and power are the three main components in data center planning. The movement of computing hardware from mainframes to distributed server technology has put increased pressure on data

center management. SO the management of the data center has emerged from a technology problem to more of a facilities management problem. The management of the facilities to accommodate the needs of the increasing server storage environment needs to be the focus of data center planning. In the 1990 the average power consumption in a data center was 45 watts per square foot. Today the average is about 110 watts per square foot and even reaching 150 watts per square foot. Careful communications between IT and the facilities management staff have become a necessity to effectively manage a data center.

Redundancy has become a necessity as compliance and security dictate more of the data center requirements. This effectively doubles the IT requirements. Clear definitions for placement of equipment, cabling standards power consumption, air conditioning and security access are needed to insure a well managed data center. Organizational issues also effect data center management. The operational support teams and the application support teams should be set up so that they effectively support each other.

Each organization is different so there is not just one answer that fits all data centers. Mr. Lowe stated that by 2010, ninety percent of all companies will have upgraded existing data center space or will have built new space. Some of this building and upgrading is due to poor planning in the past. The management of data center space must also be accomplished within the corporate budget. Careful planning can help with the justification of more funds and protects the funds that have been allocated. Vendor viability is also an important part of the data center plan. Vendors must have the capability to deliver and must be willing to work with the IT staff toward the organizational goals.

Life cycle management is also a crucial part of the plan. The process of maintaining a careful data center plan is ongoing must consider today's needs and also take into account where the technology and the enterprise are going in the future.

ITIL helps to maintain all of the aspects mentioned above. ITIL provide a framework to be used to design a flexible plan planning needs.

[The group adjourned for a break.]

Wendell then introduced Charles Rinehart, Business Development Director of the Nextedge Applied Research and Technology Park. Mr. Rinehart provided an in-depth overview of Nextedge. Mr. Rinehart described Nextedge as a synergistic environment created specifically for technology companies, data centers, and research organizations.

Nextedge is located at the center point of Ohio's Third Frontier Network. The technology oriented resources that surround the park are experienced IT staffing, a high concentration of colleges and universities, proximity to leading military and science organizations and a supportive business base. The park's infrastructure delivers ample power and immediate access to high speed dark fiber. Nextedge is strategically located within the southwest central Ohio 60-mile technology ring that encompasses Dayton, Columbus and Cincinnati. This strong regional location provides an ideal sales, support and service base. Customer access to key industries and customers is within a 200 mile radius of over a dozen key markets. The park is divided into specific areas. The Entryway employs security measure integrated into the site. The core services area supports training, retail and banking opportunities. The data centers area provides high security and power availability. There is also a corporate office area for traditional office buildings.

Mr. Rinehart introduced Tom Franzen, Economic Development Director for the City of Springfield. Mr. Franzen provided a supporting description of the Springfield area related to the opportunities of the Nextedge Park. Mr. Franzen pointed out that Springfield offers the advantages of a bigger city without the costs and challenges associated with major metropolitan area. Springfield recently unveiled a wireless network for the city center that also encompasses the Wittenberg and Clark State University campuses.

The speakers were mugged in the tradition of the ATP.

A short business meeting included the pre-registration prize drawing which went to Jeffery Brotherton of Franklin University. Sheila Schmitt, treasurer, reported there was \$5,462.95 in the

checking account and \$13,851.88 in the savings account.

The meeting was adjourned and lunch was enjoyed.

## Hot Topics in Telecommunications

(Regulatory, New Offerings, New Technologies and More)

September 2007

by **Doug Ballou**

**AT&T Inc.**'s earnings jumped 61 percent in the second quarter, driven mostly by its acquisition of **Bell-South**, but also boosted by new wireless subscribers and better sales to large business customers. For the quarter that ended June 30, AT&T said net income rose to \$2.9 billion, or 47 cents per share, from \$1.81 billion, or 46 cents per share, in the prior year's quarter. Wireless subscribers rose by 1.5 million to 63.7 million.

Internet service provider **EarthLink Inc.** said that it would cut 900 jobs, or about half its work force, and close four offices in an effort to reduce operating costs. The moves come as the company continues struggling to generate revenues as dial-up access customers turn to high-speed alternatives from cable and phone companies. More actions could be announced by year's end but no more cuts are expected. As part of the plan, EarthLink also said it will repurchase \$200 million of its stock.

**Joe Nacchio**, the former **Qwest** telecommunications chief who was forced to resign during a multi-billion-dollar accounting scandal, was sentenced to six years in prison for illegally selling \$52 million in stock while not telling investors that his telecommunications company faced serious financial risks. Nacchio was ordered to forfeit the \$52 million within 15 days. He received a maximum \$19 million fine and two years' probation after he serves his sentence.

Word has it that **Research In Motion Ltd.**, the maker of BlackBerry emails devices, may be bought by **Microsoft Corp.**

**Google Inc.**, may introduce software to run mobile phones within the next several months to promote its e-mail and mapping services. The operating system would allow the company to partner with a

### Credit Card Payments

ATP accepts payments using most major credit cards. This is yet another frequently requested service to ATP Members being provided by the ATP. Credit Card payment is optional.

mobile-phone manufacturer, **Piper Jaffray & Co.** analyst **Gene Munster** wrote in a report. He said he isn't expecting Google to build a handset or create a Google-branded phone. "There has been increasing chatter surrounding the launch of a Google phone, dubbed the 'Gphone'".

Internet phone service provider **SunRocket** abruptly shut its doors, leaving thousands of subscribers without service. Now the company's competitors are dishing out special offers to lure those who were left in the cold. Three-year-old SunRocket, based in Vienna, Va., was the second-largest independent VoIP provider in the country behind **Vonage**. It had more than 200,000 customers nationwide, but had been struggling financially and laid off most of its workers. There is no information on the company Web site, and the customer service number is disconnected. State rules require traditional phone service providers, the largest being **AT&T**, to give customers 90 day's notice before disconnecting phone service, but no such standard applies to VoIP.

In order to coordinate and expand access to the state's broadband data network, **Ohio Governor Ted Strickland** has signed an executive order establishing the **Ohio Broadband Council** and the **Broadband Ohio Network**. The order directs the Ohio Broadband Council to coordinate efforts to extend access to the Broadband Ohio Network to every county in Ohio. And the order allows public and private entities to tap into the Broadband Ohio Network, all with a goal of expanding access to high-speed Internet service in parts of the state that presently don't have such service. The order directs state agencies to use the Broadband Ohio Network rather than the patchwork of public and private networks agencies presently use, allowing the state to realize cost savings and efficiencies. In addition to developing a plan for statewide broadband deployment, the Ohio Broadband Council is charged with coordinating all state-funded broadband initiatives, pursuing additional federal investments in broadband, promoting

public and private broadband initiatives and addressing the digital divide in Ohio's rural and urban areas.

**AT&T** launched its new TV and Internet service, called **U-verse**, in 24 Northeast Ohio communities. It's the first time a phone company in the state is directly competing with cable television. The local debut is part of the company's \$6 billion plan to bring TV programming into homes nationwide by building a network that uses both ultra fast fiber-optic cable and conventional copper wires. AT&T says it's in 23 markets now and expects to reach 18 million homes by 2008. AT&T's U-verse TV offers up to 320 channels and 26 high-definition channels. Its set-top box uses custom Microsoft software that allows users to do things like search shows by an actor's name and channel-surf without leaving the program they're watching.

**Google** delved deeper into the business software market with its announcement it would acquire **Postini** for \$625 million in cash. Postini, a closely held company with about 300 employees, sells software that protects e-mail, instant messaging, and other Web-based communications from viruses and spam. The company said it hopes the acquisition will attract larger business clients seeking to comply with complex security regulations. This is the second security company to be bought by Google. It recently acquired **GreenBorder Technologies**.

A consumer advocacy group has expressed outrage over **Apple Inc.**'s battery replacement program for the **iPhone**. The iPhone's battery is apparently soldered inside the device and cannot be swapped out by the owner like most other cell phones. An Apple spokeswoman said the company posted the battery replacement details on its Web site. Users would have to submit their iPhone to Apple for battery service, which will cost users \$79, plus \$6.95 for shipping, and will take three business days, similar to iPod players. Apple is offering a loaner iPhone for \$29 while the gadget is under repair.

**Research in Motion Ltd.** plans to sell a BlackBerry e-mail device that is able to work on both mobile phone and wireless computer networks. The BlackBerry 8820 will be able to switch between cellular and wireless-fidelity, or Wi-Fi, networks. The phone also has a global positioning system and a video and music player. The device

will be available globally "in the coming weeks." No pricing information was included in the statement.

**Google Inc.** is offering to run the search engines of small Web sites for as little as \$100 per year, marking the company's latest attempt to make more money off of technology that already steers much of the Internet's traffic. The service is aimed at the millions of Web sites that either don't have search engines or are unhappy with the quality of their current search results. The price for Google's Custom Service Business Edition" will start at \$100 annually to sift through up to 5,000 Web pages.

**Microsoft's** fiscal fourth-quarter profit rose seven percent despite a hefty charge to cover the cost of defective Xbox 360 video game consoles. The world's largest software maker said its earnings for the three months ended June 30 climbed to \$3.04 billion, or 31 cents per share, from \$2.83 billion, or 28 cents per share, during the same period last year. Total revenue grew 13 percent to \$13.37 billion from \$11.80 billion last year, just ahead of Wall Street's estimate of \$13.27 billion.

**Google's** earnings growth decelerated dramatically in the second quarter as the Internet search leader spent more money hiring new employees and acquiring online content, jolting investors who had been betting on higher profits. For most companies, the 28 percent earnings increase would be a cause for celebration. But the company's quarterly profits had never before improved by less than 60 percent, so Wall Street viewed Google's latest results as a major letdown. Capitalizing on the Internet's largest ad network, Google earned \$925.1 million, or \$2.93 per share, during the three months ended in June. That compared with net income of \$721.1 million, or \$2.33 per share, at the same time last year. Revenue for the period totaled \$3.87 billion, a 58 percent increase from \$2.46 billion at the same time last year.

**Hewlett-Packard Co.** said it will pay \$1.6 billion in cash to acquire **Opsware Inc.**, a software company founded by Internet pioneer **Marc Andreessen** that helps companies lower the cost and complexity of running their data centers by automating certain management tasks. HP agreed to pay \$14.25 per share of Opsware, a 39 percent premium over Opsware's closing price. The acquisition

is expected to close before HP's fiscal year ends Oct. 31.

**Google Inc.** offered to dig into its mountain of cash to transform a chunk of prime public airwaves into a high-speed data freeway. If successful, it could drive down the price of Internet access by creating more competitors to phone and cable companies. Google promised to bid in an upcoming federal auction of spectrum that is ideal for fast wireless Internet service, but only if regulators agree to the company's proposals to require open access to those airwaves. That means any device, service, software application or network could operate on it with no restrictions.

A majority of the members of the **FCC** told a House subcommittee that they support an "open access" requirement on one swath of public airwaves that will be auctioned early next year. The provision, put forth by **Chairman Kevin Martin**, would allow cell phone customers to use any device they would like on a new network encompassing about one-third of the 60 megahertz of spectrum to be auctioned. The provision was met with support from **Democrats on the House Subcommittee on Telecommunications and the Internet**, and resistance from most of the Republicans on the panel.

**Apple Inc.'s** fiscal third-quarter profit soared more than 73 percent to a record high, fueled by demand for its Macintosh computers and the strength of its iPod media players. For the quarter ended June 30, Apple's profit rose to \$818 million, or 92 cents per share, up from \$472 million, or 54 cents a share, in the year-ago quarter. Sales grew to \$5.41 billion from \$4.37 billion last year, also a record.

Google Inc. began selling expanded online storage, aimed at users with large picture, music, or video file collections. The annual prices established were \$20 for six gigabytes of online storage, \$75 for 25 GB, \$250 for 100 GB and \$500 for 250 GB. Google said the storage can be used across several Google products, including photo site Picasa and the e-mail service Gmail. The storage also will work soon with Google Docs and Spreadsheets.

After fighting one of the nation's largest corporate fraud cases, **Adelphia** founder **John Rigas** and his son, **Tim Rigas**, the company's former chief financial officers, turned themselves in at

the Butner Federal Correctional Complex, about 45 minutes northwest of Raleigh, NC. John Rigas, 82 was sentenced to 15 years and Timothy Rigas, 51 to 20 years for their role in the collapse of Adelphia. They were convicted in 2004 on multiple charges of securities fraud, conspiracy to commit bank fraud and bank fraud.

**Dell's** internal investigation into its accounting problems is over, leaving up to a \$150 million hit on earnings in its wake. Because federal regulators have yet to weigh in, Dell's mistake could continue to distract the computer maker as it seeks to boost its flagging business. Dell concluded that some employees had misled its auditors and manipulated results to meet performance goals for more than four years. As a result, Dell said net income for all of fiscal 2003 through 2006 and the first quarter of fiscal 2007 would be reduced by \$50 million to \$150 million, or two cents to seven cents per share.

**Microsoft** won a reversal of a jury's record \$1.52 billion verdict in a landmark case over **Alcatel-Lucent's** MP3 digital-music patents. **U.S. District Judge Rudi Brewster** in San Diego said the jury's damage award could not stand because one of the two patents wasn't infringed. The jury decided in February that Microsoft must pay \$1.52 billion for violating Paris-based Alcatel's rights to the inventions, the largest patent verdict in U.S. history.

A two-day shutdown that left millions of **Skype** users unable to use the popular Internet phone service was caused by an abnormally high number of restarts after people had downloaded a Windows security update. The worldwide shutdown left millions of Skype users unable to log on to make calls or send instant messages.

**Microsoft** will delay the release of **Office 2008** for Apple Inc.'s Macintosh computers until the middle of January, in order to fix lingering bugs in the software. The software maker previously said the new suite, which is to include Microsoft Word, Excel, PowerPoint, and the Entourage e-mail program, would go on sale sometime in the second half of 2007.

**Ask.com** became the first major search engine to promise users it won't store data on their queries, giving the privacy-conscious the option of conducting research on the Internet in relative anonymity. The move comes amid increasing concerns about the release of search information through leaks or

subpoenas. In some cases, the search terms a person uses can reveal plenty about medical conditions, marital troubles, or kinky interests.

**Ohio's Third Frontier technology development project** agreed to partner with the state higher education system on a \$122 million program to recruit researchers and their federal grants. During a joint meeting with advisers in Columbus, the Third Frontier commissioners also parceled out \$207.5 million to some existing programs and a few new ones for fiscal year 2008. And the commissioners added alternative-energy – wind, solar, waste-derived fuels, as well as energy-storage and management technologies – to their list of grant-making priorities.

**Cisco co-founder Len Bosack** is launching a company that claims it will bring “fundamental change to worldwide telecommunications” with an optical transport system allowing IT departments to easily and quickly deploy in-house metropolitan optical networks that make efficient use of space and power. Bosack, who founded Cisco in 1984 with his wife **Sandy Lerner**, is not talking publicly about his new venture, **XKL**.

**Google** is developing a new search service for cell phones that will help consumers find and buy ringtones, games and other mobile content as the Internet company pushes more deeply into wireless. Google already offers cell phone users a version of its popular engine for searching the Web. Now, the company wants to go beyond just looking up Web pages, effectively becoming a gateway for finding and paying for content.

Half of businesses don't meet federal e-mail discovery and retention rules, a recent study by **Osterman Research** says. Sixty-three percent of the 400 IT managers surveyed said they have had to produce an e-mail as the result of a legal action, and 53 percent of all respondents could not meet the so-called **e-discovery** regulations of the **Federal Rules of Civil Procedure**.

**VoIP safety** is a broad question that touches on many aspects of how **IP telephony** systems operate and the various parts of the network VoIP touches, but according to one survey one thing is clear, VoIP technology is not safe enough for many businesses. Only half of the IT executives polled recently in a **CompTIA** study said they think security technology built into corporate VoIP products and

services is solid. The survey (of 350 companies with 500 employees or fewer) showed that even wireless technology, often maligned for its security weakness, was considered more secure than VoIP. (Sixty percent of respondents said they trusted security in Wi-Fi gear). Worms and viruses that flood corporate networks with traffic may cause e-mail delivery to be delayed, and slow application response times, but the latency introduced can kill an IP telephony conversation. As for VoIP products, vulnerabilities are popping up more in IP telephony gear and software. **Cisco**, for instance, over the last 18 months issued nine major vulnerability advisories on products ranging from IP phones and IP PBXs, to routers that perform VoIP processes and functions.

**Michael Capellas**, formerly CEO of MCI and then **Compaq**, is making a comeback as the CEO-apparent to e-commerce and payment firm **First Data**. First Data is being bought by an affiliate of **Kohlberg Kravis Roberts & Co.**, and Capellas will take over after the deal closes later this year. Capellas will succeed **Henry “Ric” Duques**, who has been chairman and CEO of First Data since November 2005.

**VeriSign CFO Dana Evan** resigned and the company has restated its earnings from 2002 to 2005, declaring an additional \$160.3 million in expenses for stock-option compensation. **Bert Clement**, formerly VeriSign's senior vice president for finance and controller, has been named the new CFO.

**Cable companies** lead the customer satisfaction rankings for telephone service in six U.S. regions for the first time, says **J. D. Power and Associates**. According to the firm's study, cable companies offering bundled-service packages are proving to be tough competition for traditional telephone providers. The study finds that 86 percent of cable-based voice subscribers also subscribe to data services from the same provider, an increase from 71 percent in 2006. Conversely, 36 percent of telecom-based voice subscribers also use their provider to fulfill their data needs, which is an increase of seven percent compared to 2006.

**Google cookies** will now expire after two years instead of 30. While that's certainly desirable, as one press report noted, the change doesn't come without a catch: The two-year stint automatically restarts each time you visit a Google site.

**Cisco** confirmed that it is planning a higher-level certification for its design track that would be on par with its current Cisco Certified Internetwork Expert program. Design is the only track that is without a CCIE designation, which is set apart from the company's other certification programs through its tough lab exams.

**Dell** announced it had entered into an agreement to acquire privately held managed services provider **SilverBack Technologies** for an undisclosed amount. Dell said that SilverBack's service-delivery platform would be incorporated into the hardware vendor's operations and bolster Dell's IT services.

**Sun Microsystems** has reported a swing to a fourth-quarter profit after a loss last year on essentially flat revenue. Sun posted net income of \$329 million on revenue of \$3.8 billion in the three months ended June 30, reversing a loss of \$301 million in its fiscal fourth quarter of 2006. The company credited cost cutting for part of its swing to profitability. Sun trimmed \$487 million in expenses in the fourth quarter.

The biggest concern for businesses thinking about deploying **Network Access Control (NAC)** is the cost and complexity of the project, according to a survey by Current Analysis. Respondents' worries about deployment complexity center on whether the NAC gear would be compatible with other hardware and software already deployed, and what it would take to remedy any problems according to “**The Current Analysis 2007 NAC Enterprise Demand Survey**”. Beyond these concerns, potential NAC users also worry in a general way that NAC gear isn't fully baked yet. As a result, they may want to delay deployment until it matures, the survey concludes.

**Diebold Election Systems' voting machines** are not secure enough to guarantee a trust-worthy election, and an attacker with access to a single machine could disrupt or change the outcome of an election using viruses, according to a review of Diebold's source code. “The software contains serious design flaws that have led directly to specific vulnerabilities that attackers could exploit to affect election outcomes,” according to the **University of California at Berkeley report**. The source-code review identified four main weaknesses in Diebold's software, including: vulnerabilities that

allow an attacker to install malware on the machines; a failure to guarantee the secrecy of ballots; a lack of controls to prevent election workers from tampering with ballots and results; and susceptibility to viruses that could allow attackers to influence an election.

**Compliance policies** at large financial institutions are outdated and often ignored by employees, a new survey has found. The survey of 550 financial services professionals in London and New York found that 14 percent are not confident their organization's policies are up-to-date with the most recent changes to regulations issued by governments, stock markets, and other institutions. One out of five survey respondents admit they have never even read their firm's policy manuals. Another 15 percent have read the manual at least once but do not continue to read it regularly. **Complinet**, a compliance vendor, conducted the survey.

**IBM** announced that it has acquired **Princeton Softech**, a maker of data-archiving, classification, and discovery products, to bolster its own data-management offerings. Financial terms weren't disclosed. Princeton Softech's products help customers improve data base performance by separating historical data from current data and storing it securely and cost effectively. The vendor's test data-management technology helps customers maintain data privacy by creating test databases that mask and protect sensitive data.

**Nortel** has begun discussions with potential takeover targets, according to a Reuters report citing an interview with **CEO Mike Zafirovski**. Nortel is looking to acquire companies to expand its reach in key markets, such as the enterprise, VoIP and IPTV. One such target is believed to be **3Com**, and others mentioned include **Foundry Networks**, **Tellabs**, and **Conus Networks**.

**Dell** acquired **ASAP**, a company that manages software licenses, purchases, renewals, and compliance, to bolster its software business. The \$340 million deal marks Dell's third acquisition of a services organization in the past year. Dell, which is moving from direct sales to distributed-channel sales, picked up managed-services vendor **SilverBack Technologies** and **ACS**, a British IT managed services company. The ASAP acquisition will further Dell's goal to simplify IT for customers by removing cost and

complexity and improving IT implementation.

The use of battery-powered wireless products in tagging and tracking applications is rising sharply, according to a British consulting firm. "**Active RFID**" uses almost any wireless technology—from short-range 802.15.4 sensor radios to Wi-Fi and cellular—in tags that have a battery or other power source. The tags attach to equipment, vehicles, and even livestock, and can be used for asset management and location tracking. By contract, passive RFID tags rely on the energy from a wireless scan by a tag reader, usually just a few feet away. The surge in interest in active RFID will boost it from about 13 percent of the total RFID market in 2007, to 26 percent (or \$7 billion) in 10 years, according to **IDTechEx**. Fueling the segment's growth is demand for real-time location systems for tracking, finding and monitoring things and people.

**Cisco** surpassed analyst expectations again when it posted fourth-quarter earnings of \$2.3 billion on sales of \$9.4 billion. The results exceeded analyst estimates of \$9.29 billion in revenue and earnings of \$2.24 billion, according to **Thomson Financial**. Revenue increased 18 percent over last year's fourth quarter, and earnings for the same period were up 21.2 percent. **Scientific-Atlanta**, acquired in February 2006, contributed \$2.8 billion to net sales for fiscal 2007, compared with \$989 million for fiscal 2006.

**Technology spending** is stalling as the year wears on and as plans to reduce costs come to the fore, according to **Goldman Sachs'** most recent poll of IT decision makers. Goldman Sachs is releasing the findings of its June survey of 100 IT decision makers at Fortune 1000 companies, and the research firm says the results show IT buyers are getting cautious once again. Among the indicators pointing to a spending slowdown are drops in plans for total IT spending and IT capital spending since a more positive April, the financial services firm says. For instance, the total IT spending index was at 71 in April, and 54 in June. The technology capital spending index also dropped in that time period from 68.5 to 62.5. More significant is that this year's June poll revealed spending plans are lower than they were at the same time last year — which could impact IT budgets and planned projects for 2008.

**Video** will drive a 21 percent compound annual growth rate in business IP traffic across AVs from 2006 to 2011, according to a forecast on global IP traffic released by **Cisco**. That and consumer traffic, which will surpass business IP traffic in 2008, will cause overall IP traffic to almost double every two years through 2011. Total IP traffic will nearly quintuple in the five-year period from 2006 to 2011, driven by high-definition and high-speed broadband penetration. Cisco's report is based on its own estimates plus projections from 10 market analysis firms on the number of Internet users, broadband connections, video subscribers, mobile connections, and Internet application adoption. Meanwhile, business Internet traffic—all IP traffic that crosses an Internet backbone—will grow at a compound annual growth rate of 23 percent from 2006 to 2011, driven by increased broadband penetration in the small business segment.

There is 17 percent more **spam** heading for in-boxes today than there was yesterday. Reports from security vendors that trap unwanted messages in their spam filters are bordering on the hysterical as new data emerges daily regarding just how bad the spam epidemic has become. PDF spam, the latest trick, is leading the charge and destined to become this year's version of image spam that fooled filters and clogged in-boxes for a good part of 2006. According to **Secure Computing**, which reported the 17 percent jump in spam levels today over yesterday, spam currently accounts for 88 percent of all e-mail traffic and PDF spam makes up 11 percent of that figure. With current spam levels close to the all-time high of 90 percent, Secure Computing predicts that record will be matched or broken in the next 30 days.

The Internet's leading standards bodies are sparring over a set of next-generation network-transport specifications that some say could lead to massive interoperability issues for service providers if they are left unchanged. The **IETF** is at odds with the **International Telecommunication Union** over a special transport network architecture the ITU's Telecommunications standards division (ITU-T) is developing to let MPLS traffic run over an Ethernet backbone. Among the network equipment vendors that have been contributing to the development are **Alcatel-Lucent**, **Ericsson**, **Fujitsu**, and

**Tellabs.** The problem, according to the IETF, is that the ITU's Transport-MPLS (T-MPLS) specification will not work with the billions of dollars in routers and switches that carriers have installed in recent years based on the IETF's MPLS standards. "The situation is catastrophic," says **Stewart Bryant, IETF liaison to the ITU-T** on MPLS issues and a technical leader at Cisco. "There's a fundamental opportunity for a major train wreck" between the IETF's MPLS and the ITU-T's T-MPLS. "Our concern is that there should be absolutely nothing designed, implemented or specified that risks the deployed bases of MPLS equipment.

**Diebold** has been granted five patents for technology that will let cell phone users interact directly with their bank's automated teller machines. Diebold engineers have lab-tested the marrying of cell phones, personal digital assistants, and other mobile devices. The technology will allow customers to access ATMs remotely so they can locate and get directions to the nearest ATM, transfer funds, check account balances or generate electronic checks to pay for goods.

The **FBI** has quietly built a sophisticated, **point-and-click surveillance system** that performs instant wiretaps on almost any communications device, according to nearly a thousand pages of restricted documents newly released under the **Freedom of Information Act**. The surveillance system, called **DCSNet, for Digital Collection System Network**, connects FBI wiretapping rooms to switches controlled by traditional land-line operators, internet-telephony providers, and cellular companies. It is far more intricately woven into the nation's telecom infrastructure than observers suspected. It's a "comprehensive wiretap system that intercepts wire-line phones, cellular phones, SMS and push-to-talk systems," says **Steven Bellovin**, a Columbia University computer science professor and longtime surveillance expert. DCSNet is a suite of software that collects, sifts, and stores phone numbers, phone calls, and text messages. The system directly connects FBI wiretapping outposts around the country to a far-reaching private communications network. The released documents suggest that the FBI's wiretapping engineers are struggling with peer-to-peer telephony provider **Skype**, which offers no central location to wiretap, and with

innovations like caller-ID spoofing and phone-number portability.

**Microsoft** has finally released **Windows Vista Service Pack 1** details and expected delivery date. There will be no **Vista SP1** released this year. Microsoft is on a slower delivery track, even though the service pack includes search changes coming under court oversight that is scheduled to end before the update's release. Microsoft plans to release the first Vista service pack beta to 10,000 to 15,000 select testers in just a few weeks. Microsoft plans to release **Windows XP Service Pack 3 beta** to testers about the same time.

**Sprint Nextel** said it was preparing to launch a service with **Loopt Inc.** that allows customers to locate friends (and maybe employees?). The friend-finder service, which Sprint already offers through its **Boost** subsidiary, will be offered on 25 compatible Sprint phones. Sprint customers must sign up for the service, which will cost \$2.99 a month, and agree to want to be found. Loopt's friend-finder service uses the Global Positioning System technology.

**Small businesses**, particularly the higher-level executives within those organizations, are embracing **personal desktop video** as a face-to-face communications medium, a study by **Brockmann & Company** says. The study, "**The Desktop Video Conferencing Experience**," compiled responses from 360 business users of conferencing services worldwide and concluded that desktop video conferencing is very important to 60 percent more vice presidents, 1.7 times more CIOs and CFOs and two times more CEOs and COOs than telepresence, and that desktop video sessions involved customers and clients 43 percent more often than telepresence systems.

A growing number of **banks** are encouraging customers to pay their bills, manage their accounts, and use other services from their **cell phones**. Most banks don't charge for cell phone banking—yet. But they may add fees at some point. AT&T says that it plans to include banking and other financial software with most of its new phones. The company has agreed with **Wachovia Corp.** and other institutions to offer banking services to its cellular customers.

**NCR** has set the terms for the spin off of its Teradata computing business,

planning to distribute one Teradata share for each NCR share.

**Linux** will power about 31 percent of all smartphones sold in 2012, and by then will have shipped in 331 million devices, says **ABI**. The research firm forecasts 75 percent CAGR (compound annual growth rate) for Linux in smartphones through 2012, making it the fastest-growing OS in the sector.

**Acer Inc.**, the world's fourth-largest computer vendor by unit sales, plans to acquire U.S. computer maker **Gateway Inc.** for about \$710 million. Acer is offering to buy Gateway shares for \$1.90 each. Acer expects to complete the acquisition, which is pending regulatory approvals in Taiwan and the U.S., by December, according to the statement. Irvine, Calif.-based Gateway is the third-largest PC vendor in the U.S. by market share after **Dell Inc.** and **Hewlett-Packard Co.**

**George Hotz**, a 17-year-old from Glen Rock, N.J., says he has "**unlocked**" the **iPhone**, finding a way to get around the device's restrictions and allow it to be used not only on **AT&T's** cell phone network but also on **T-Mobile's** network and overseas. Until now, the iPhone has come with a catch. Because of a revenue-sharing agreement between Apple and AT&T, the iPhone operates only on AT&T's network and requires a two-year subscription. Hackers have spent the better part of the summer tackling that challenge.

Following **Microsoft's** partnership with networking giant **Cisco**, the unified communications market is heating up even further with IBM's launch of a new range of collaboration products. IBM has joined forces with **Siemens** to turn its **Lotus Sametime** software into a product family that will include new telephony integration software. The move comes as Microsoft confirmed the October 16 launch of its much-hyped **Office Communications Server 2007** for larger enterprises. It plans to sell unified communications to smaller businesses on an on-demand service. Unified communications pull together voice, video and data communications and a multitude of applications to allow employees to communicate more easily with a range of endpoint devices.

**Skype's** long-term viability may be in question. **eBay** acquired Skype in late 2005 for \$2.6 billion. For a long time, industry-watchers and company investors

wondered why. Within a year, eBay customers joined in the griping, wondering why the auction house's services hadn't yet been more integrated with VoIP. By the beginning of 2007, even **eBay CEO Meg Whitman** described the integration of Skype as one of its top challenges.

**Best Buy** peeled off \$97 million to swallow up **Speakeasy** in March. Apparently the idea was to combine Speakeasy's broadband and VoIP services with Best Buy's **Geek Squad**, making the stores a one-stop IT shop for small businesses. But Best Buy may be angling for bigger fish. Well-placed sources indicate that the \$31 billion electronics shark is circling the \$485 million **Covad**, which actually provides broadband and voice service for Speakeasy's 40,000 customers.

A Dayton startup has found a way to make fast telecommunication service affordable for small businesses. After less than six months of testing, **Innovative Fiber Optic Solutions** rolled out its service in February for two local clients. Executives say the company is poised to grab more customers hungry for the speed and reliability of fiber optics. Innovative Fiber can use wireless technology to connect a smaller company to its fast network, saving the company the expense of installing its own fiber lines, said **Chief Executive Officer Patrick Heinz**. Customers can ride Innovative Fiber's network starting at about \$600 a month, depending on requirements.

The House approved the Republican version of a measure amending the **Foreign Intelligence Surveillance Act (FISA)** by a vote of 227-183, with most Republicans and conservative Democrats supporting the bill. The White-House backed legislation closes what the **Bush administration** has called critical gaps in U.S. intelligence capability by expanding the government's abilities to eavesdrop without warrants on foreign suspects whose communications pass through the United States. FISA allows officials to apply to a secret court for a warrant to eavesdrop on U.S. citizens. But there was a rush to update the program after a ruling by the secret FISA court earlier this year. It said the current law also requires a warrant for monitoring foreigners' communications because so many overseas calls and e-mails are sent through U.S. switching centers. Before the ruling, investigators always thought they didn't

need warrants to operate outside the United States. The decision hurt the intelligence community's ability to monitor suspected terrorists in other parts of the world.

A survey of 195 senior IT professionals found that nearly half, 44 percent, already have decided to implement high-throughput **802.11n wireless LANs**. Even more remarkably, nearly one-third of respondents said 11n will replace wired LANs, at least for client access.

**Apple's** answer to the early security threats to iPhone is apparently a lot more than just try to plug security holes—it also uncovers and erases any user modifications to the device's firmware. When the security update is installed, it detects and wipes changes to the firmware made by the user. The update then re-installs a fresh copy of the firmware.

The **White House** will apparently seek to grant telecommunications companies—hitherto reluctant to turn over their records or permit electronic intrusion into their networks without a court order—blanket immunity from criminal prosecution or civil liability. If that is so and the attempt to change the law is successful, it will mean that the US government will be empowered to obtain the communications of any American at any time without any process.

**Nokia's** net income more than doubled as it boosted shipments and grabbed a 38 percent share of the global mobile phone market.

**Nortel Networks** swung to a second-quarter loss due to lower revenue and various charges, as the company continues its transformation plan. The Toronto telecommunications-equipment company said its quarterly loss was \$37 million, or seven cents a share, compared with net income of \$342 million, or 79 cents a share, a year earlier. Nortel's revenue fell 7.8 percent to \$2.56 billion from \$2.78 billion. Nortel had expected revenue to be flat to down slightly compared with the year earlier.

Telecommunications equipment maker **Alcatel-Lucent SA** posted its second consecutive quarterly loss in the April-June period on costs related to its recent merger and an unfavorable product and geographic mix.

**Storm**, the Trojan that hovers PCs into hacker-controlled botnets, roared back into life in several waves, security researchers said, and has blown by 2005's

**Sober** to become the most prolific e-mail-borne malware ever. According to **MX Logic**, Storm—a bot Trojan that collects compromised computers into large networks of ready-to-use PCs—has broken Sober's records. Storm, however, is much more malevolent than Sober. Not only is it designed to propagate more copies of Storm, but it releases huge quantities of spam.

**Microsoft** completed its \$6 billion acquisition of Web advertising firm **aQuantive**.

A recent survey finds employers are planning an overall **salary budget increase of 3.9 percent** for 2008.

**Lenovo**, the world's No. 3 PC maker, will start selling laptop computers preloaded with Linux software from **Novell** instead of **Microsoft's Windows**.

Security consultancy **iSec Partners** detailed half a dozen ways to compromise VoIP-based phone systems based on the **H.323** and **Inter Asterisk eXchange** protocols. After detailing the ways they uncovered to hack into these two types of VoIP phone systems, **Himanshu Dwivedi**, principal partner at iSec, and **Zane Lackey**, security analyst there, also released exploit tools on the firm's Web site to prove their assertions about the weakness of H.323 and IAX. Their presentation was made at the **Black Hat Conference** in Las Vegas. Dwivedi said that equipment from **Cisco**, **Avaya** and **Polycom** that supports H.323 could be affected by the types of attacks he described at Black Hat.

Strength in cable TV helped **Time Warner Inc.** increase second-quarter earnings five percent, beating analyst forecasts. The company said that from April to June it earned \$1.07 billion, 28 cents per share, ahead of last year's profit of \$1.01 billion and 24 cents per share. Revenue rose six percent to just under \$11 billion.

**Oki Electric** has released middle-ware that can add **iris recognition** to cell phones and PDAs. The "**Iris Recognition Technology for Mobile Terminals**" software reportedly uses existing cameras and currently targets handheld devices running Windows Mobile, Windows XP, or Symbian OS. The company says its new middleware can now use any camera offering more than one mega pixel. This permits developers to add biometric

security to easily stolen mobile devices, without a fingerprint reader or other additional hardware.

The ***ATP NEWSLETTER***  
is published as a service to the  
members of

**The Association of  
Telecommunications  
Professionals, Inc.**

Information to be included in the  
***NEWSLETTER***

should be submitted to:

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**More next issue!**

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