



THE WIRELESS INTERNET: IS THE U.S. BEING LEFT BEHIND?

The U.S. has the Opportunity to Create a Successful Wireless Internet

The wireless Internet has the potential to enhance business productivity, add convenience and safety for citizens, and to educate and entertain all of us. However, if you examine the state of the wireless industry today, you would believe that small-screen cell phones – working at speeds slower than a dial-up modem, at prices which command a ten-fold premium over wired Internet access, and operating on a network which was designed for voice – will deliver all these benefits. This is not likely, and there are many indications already that this trajectory will fail.

A fresh approach is necessary, an approach unhindered by the futile quest of a universal system that purports to do all things for all people but that, in the end, doesn't do any of them very well. 3G systems are designed to provide ubiquitous voice and small amounts of data to highly mobile subscribers. But neither 3G technology nor the traditional business model is suited to delivering the power of the Internet to consumers and road warriors.

The ideal Internet delivery system for such consumers will deliver data speeds of a million bits per second at very low cost with mobility. This network will meet the needs of consumers by adopting a business model that encourages entrepreneurs and intrapreneurs to create innovative applications, devices, and services that make the lives of people more productive, safer, and more pleasurable. A transformation is underway now toward this business model.

Glimpse of the future

Applications on Japan's i-mode wireless Internet service are simple and run at slow speeds, but i-mode represents a crack in the monopoly "walled garden." NTT DoCoMo runs the system, but creative entrepreneurs are finding market niches, similar to the growth of the Internet. While larger companies form the backbone of the Internet, it is the myriad of entrepreneurs – be they business or thought entrepreneurs – that have made the Internet a part of our everyday life. The i-mode system is just a small glimpse into what the wireless Internet could be. Just imagine the possibilities if i-mode had 100 times the connection speed at affordable consumer pricing.

Wi-Fi is a wireless LAN system that serves its purpose well – local area "hot spot" networks – but does not scale to wide area coverage. Consumer and business user response to Wi-Fi demonstrates that they clearly want to access the wireless Internet easily, albeit in limited locations. Now just imagine if they could access the wireless Internet without compromise, inexpensively and ubiquitously.

3G will happen, but it will serve specific markets and applications, and voice will continue to be the primary service. But we want 3G to evolve into a new class of systems that are optimized for Internet delivery. 3G will only succeed when new technology drives capacity and performance to much higher levels than 2G or 2.5G – the technology exists today but hasn't yet become part of the 3G focus.

Conclusion

No *one* system will fulfill all our future wireless needs. When our industry grows up – and that process is happening now – companies will start with a service or application or device that brings value to the customers, and then they'll invent the open architecture systems that optimally deliver those services to the customer.

Our industry is in its infancy, but there is enormous growth opportunity. Engines of that growth will be a new business attitude that focuses on the customer. If the U.S. exploits existing but novel systems with the open business architecture of i-mode, the huge bandwidth of Wi-Fi, and the wide area mobility of 3G, we can lead innovation in the wireless Internet.

Contact: Sheryl Wilkerson, V.P. Legislative Affairs, ArrayComm, Inc., 2300 N. Street, N.W., Suite 700, Washington, DC 20037, (202) 383-3355 (D.C. Office), sheryl@arraycomm.com