Weekly Wireless Report

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Data to Knowledge

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This Week's Stories

Google Just Discovered A Massive Web Leak…And You Might Want To Change All Your Passwords

February 24, 2017

A Google researcher has uncovered what may be the most worrying web leak of 2017 so far, possibly exposing passwords, private messages and other sensitive data from a vast number of sites, including major services like Uber, FitBit and OKCupid.

It's being dubbed CloudLeak by some, as the problem was caused by a vulnerability in code from a hugely popular web company, CloudFlare, and was not dissimilar to the infamous Heartbleed bug of 2015 (though possibly more severe in terms of the potential for data leakage). It's similar to Heartbleed in that CloudFlare, which hosts and serves content for a at least 2 million websites, was returning random chunks of memory from vulnerable servers when requests came in.

Making the issue even more severe was the fact that search engines were caching that leaked information. Another major concern was that CloudFlare typically hosts content from different sites on the same server, so a request to one vulnerable website could reveal information about a separate, unrelated CloudFlare site.

"For example, you could have visited a page on uber.com, and a chunk of memory from a previous request/response to okcupid.com would be returned," explained Pen Test Partners whitehat hacker Andrew Tierney. "This sensitive data could have been returned to anyone. There was no need to carry out an active attack to obtain the data - my mum may have someone else's passwords stored in her browser cache just by visiting another CloudFlare fronted site."

Famous Google bug hunter Tavis Ormandy uncovered the issue, describing it in a brief post, noting that he informed CloudFlare of the problem on February 17. In his own proof-of-concept attack he was able to have the server return encryption keys, passwords and even HTTPS requests of other users from major CloudFlare-hosted sites.

In a later post, he found the issue to be even more severe: "I'm finding private messages from major dating sites, full messages from a well-known chat service, online password manager data, frames from adult video sites, hotel bookings. We're talking full HTTPS requests, client IP addresses, full responses, cookies, passwords, keys, data, everything."

Ormandy wrote that CloudFlare sent him a draft post that "severely downplays the risk to customers," though he didn't say what he thought about the final public notification that went out Thursday. In that post, CloudFlare wrote: "The bug was serious because the leaked memory could contain private information and because it had been cached by search engines. We have also not discovered any evidence of malicious exploits of the bug or other reports of its existence.

"The greatest period of impact was from February 13 and February 18 with around 1 in every 3,300,000 HTTP requests through CloudFlare potentially resulting in memory leakage (that's about 0.00003 per cent of requests)." It admitted that the earliest date memory could have leaked was September 22 2016. CloudFlare also said one of its own private keys leaked, one for internal machine-to-machine encryption.

A large list of CloudFlare websites has been uploaded to GitHub, though it's not clear just which ones leaked any data (another list found a handful of affected domains). The user who posted the Github list still recommended users of all those sites change their passwords as a precaution. Security entrepreneur Ryan Lackey recommended the same, though noted it was unlikely the average web user's password was in danger of being stolen.

What's The Bug?

The problem lay in the way CloudFlare parsed and modified web pages when a user hit the site. When certain data was sent to the server, it would fail to parse the information properly and cough up sections of memory, jumping over the "buffer" designed to keep secret info secure. That memory might have contained sensitive data, like passwords or private communications. Ormandy found the issue by firing a load of junk data at CloudFlare servers, a process called "fuzzing." In some cases, he received responses that contained information from memory. He could then easily replicate the process to guarantee that sensitive information would be returned.

CloudFlare, Google and other search engine providers have been scouring the web looking for sites that may have leaked information via the CloudBleed bug. They found 161 unique domains where leaked memory had been cached by the search engines, and that data has now been purged. "We also undertook other search expeditions looking for potentially leaked information on sites like Pastebin and did not find anything," CloudFlare added.

Regardless of that cleanup and the continuing efforts of CloudFlare to remove the bug from its customers' servers, Google security researchers like Natalie Silvanovich believe the ultimate impact might be severe.

UPDATE Uber says that the impact on its service was very limited. Only a handful of user session tokens were leaked, which could have allowed access to those particular accounts, and they've now been changed. Passwords were not exposed.

An OKCupid spokesperson said much the same: "CloudFlare alerted us last night of their bug and we've been looking into its impact on OkCupid members. Our initial investigation has revealed minimal, if any, exposure. If we determine that any of our users has been impacted we will promptly notify them and take action to protect them."

FitBit said it was investigating, adding that concerned users can change their account password whenever they wanted. It's encouraging anyone who believes they had an issue to send an email to security@fitbit.com.

Keep in mind, however, that companies may not be able to determine how, when or how many times data was leaked into people's browser caches, or if any attacks took place. CloudFlare could provide some idea of the total impact, though.

forbes.com

In The Smart Home, Whoever Owns The Hub May Own Retail Too

February 23, 2017

"And right now there are three main companies capable of carrying on a conversation with such smart devices: Apple, Google and Amazon."

According to our research at Retail Systems Research, retailers are very bullish on the future of the Internet of Things, or IoT. They are most excited about opportunities to interact with consumers via their mobile phones and even consumers' own IoT devices (think wearables). For them, IoT is not about saving money. It's about driving customer experience.

But what they are ignoring is how the IoT ecosystem looks set to evolve. Retailers will in no way be at the center of the IoT ecosystem. Just look at smart home technology: connected refrigerators, lights, ceiling fans, curtains, door locks – you name it – all increasingly connect to some management framework for all of those devices. Think “operating system for the smart home,” even though it’s a little more sophisticated than that.

Beyond the convenience of seeing who is knocking at your door whether you’re home or not, many of the potential uses of the smart home lead back to retail. Your refrigerator will tell you when you need more milk. Your smart lamp might predict or warn you when your light bulb is about to die. Your fitness tracker will make meal recommendations for how to change your diet to meet your fitness goals – meals it will undoubtedly want to help you plan and buy.

And right now there are three main companies capable of carrying on a conversation with such smart devices: Apple, Google and Amazon. If you’re using Amazon’s Alexa, where do you think it’s going to be easiest to buy that milk your refrigerator says you need? You might not even consciously approve the order – when milk gets this low, Alexa will order it and Amazon Pantry will deliver.

Google is investing in this future. It recently connected its Google Home to Google Express, an Amazon Prime-like service that charges consumers $95/month for fast deliveries (from same-day up to three days), from an array of retailers like PetSmart, Whole Foods, Staples and Walgreens. Orders must meet minimums set by each retailer, and may exclude some of the retailer’s assortment. Without the membership, orders have a fee that starts at $4.99 and goes up from there. The connection between Home and Express enables voice ordering similar to Amazon’s Alexa and the Echo or Dot. At least until April, if you order by voice, whether you're an Express member or not, there will be no order fee.

Google is retailer agnostic. Amazon is not, though the company has enabled Alexa to reach beyond the Amazon ecosystem. You can place Pizza Hut and Starbucks orders by connecting Alexa to those apps. You can use Alexa to order Domino's or Starbucks or an Uber. It can help you locate places nearby and even help you price compare. But outside of a limited set of services, it cannot complete orders anywhere near the scale of Google or Amazon.

Retailers should be worried about this. With Alexa, Amazon is pushing toward a world where the retailer is determined by your smart home configuration and settings, not by a weekly or daily competition for your attention or your business. Google is behind Amazon in this regard, though any participating retailer is expected to, for example, accept Google Pay as the default payment option. And their setup requires you to order a certain minimum from any retailer, so there’s not a lot of incentive to shop around.

forbes.com

Products & Services

Google’s Mission To Replace SMS With RCS Messaging Just Took A Major Step Forward Globally

February 24, 2017

“Today sees the RCS initiative expand considerably with Orange, Deutsche Telekom, and Globe now on board, interconnecting through the Jibe platform to ensure cross-platform interoperability.”

Google is doubling down on its efforts to expedite the rollout of Rich Communication Services (RCS) with the news that it’s launching with 27 carriers and device manufacturers globally.

Initially launched as a project under the GSMA in 2008, RCS is touted as a successor to SMS, one that mimics modern messaging services such as WhatsApp in that it offers additional features, such as group messaging, IP voice calls, and file-sharing. But unlike mobile messaging apps, it works over cellular networks irrespective of a user's client, operator, or device.

Google's involvement with RCS stems from the company's 2015 acquisition of Jibe Mobile, a startup that helps networks develop support for various messaging features in their services. RCS received a major boost last February when Google and a number of global operators announced plans to accelerate RCS development — the networks agreed to "transition toward a common, universal profile" based on the GSMA's RCS specifications. Google would also develop an RCS client app for Android. In the intervening months, Google has brought RCS to Sprint in the U.S., Rogers in Canada, and Telenor in some European and Asian regions.

Today sees the RCS initiative expand considerably with Orange, Deutsche Telekom, and Globe now on board, interconnecting through the Jibe platform to ensure cross-platform interoperability. For RCS to realize its full potential, however, it also requires buy-in from handset manufacturers, which is why Google is rebranding its native Messenger SMS app as Android Messages and has reached an agreement to make it the default messaging app on devices from LG, Motorola, Sony, HTC, ZTE, Micromax, HMD Global (Nokia), Archos, Android One, and others.

"With these partners, we're upgrading the messaging experience for Android users worldwide and ensuring a consistent and familiar experience for users," explained Google's RCS head, Amir Sarhangi, in a blog post. "We'll continue to add more partners over time."

While RCS is by no means limited to Android from a technical standpoint, without Apple's involvement it will likely remain an Android-only affair for the foreseeable future — and this could prove a stumbling block if RCS is to properly succeed SMS. In some respects, it feels like RCS should have been a priority a decade ago — since then, WhatsApp, Telegram, Viber, Facebook Messenger and the many other messaging apps out there just have too much mindshare and market share.

venturebeat.com

Google Challenges Apple's Siri In Dictating Messages

February 23, 2017

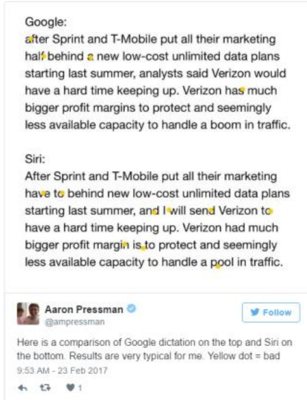
Google just created another way to use an iPhone to transcribe words into text.

The search giant said Thursday that it upgraded its Gboard app for iPhones so that it now recognizes people's voices. People who install the app can now talk to their device to send messages instead of clunking away on digital keyboards.

Android users could already use Google's voice-recognition technology to send text messages and the like.

Of course, iPhone owners can already use Apple's Siri digital assistant to dictate messages. Still, the new Google app gives people yet another option.

A type of artificial intelligence known as natural language processing powers both the Apple and Google voice-recognition services. For a comparison of how they perform, see the following tweet:


Google:
after Sprint and T-Mobile put all their marketing half behind a new low-cost unlimited data plans starting last summer, analysts said Verizon would have a hard time keeping up. Verizon has much bigger profit margins to protect and seemingly less available capacity to handle a boom in traffic.

Siri:
After Sprint and T-Mobile put all their marketing have to behind new low-cost unlimited data plans starting last summer, and I will send Verizon to have a hard time keeping up. Verizon had much bigger profit margin is to protect and seemingly less available capacity to handle a pool in traffic.

Aaron Pressman
@ampressman

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Here is a comparison of Google dictation on the top and Siri on the bottom. Results are very typical for me. Yellow dot = bad

9:53 AM - 23 Feb 2017

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Besides the voice-recognition feature, Google said that the improved Gboard app can now translate 15 more languages than previously, including Russian, Greek, Hungarian, and Turkish.

Additionally, people who love sending those silly little cartoon icons known as emoji will now have more of them to choose from. Users of the Gboard app can "search and send all of the latest emoji from iOS 10," Alan Ni, a Google associate product manager, said in a blog post.

fortune.com

Emerging Technology

Celent Expects More Apps To Incorporate Payments Like Uber Does

February 23, 2017

Celent, the financial services research and consulting firm, sees modest changes ahead in retail banking payments with more banks offering mobile person-to-person (P2P) payments.

When he looks at trends ahead for retail banking in 2017, Celent's senior analyst Zilvinas Bareisis expects more contextual commerce — making payments easier for customers by taking the transaction to wherever the customer happens to be, whether that is on a social media site where they want to make a purchase, buying clothing from inside the changing room at a retail store, or checking into a hotel from an Uber car as it approaches the entrance.

He has hope for mobile wallets, although he concedes he may be a minority voice here. It's too soon to write mobile wallets off, but they need to combine payments with loyalty points and be consistent across applications and merchants. If the wallets are too cumbersome, consumers will stick with plastic. Two advantages of mobile payments — a user can see the transaction immediately, whether on a card or from a bank account, and it's faster than EMV cards have been.

Slow checkout is just one reason Bareisis concluded that EMV adoption "had gone terribly." Card companies were slow to issue chip-enabled cards and merchants were slow to get chip-enabled terminals deployed. Both Visa and Mastercard have moved to speed up terminal certification, which was a source of long delays, and both have moved to reduce time to checkout with their EMV cards.

Person-to-person payments have been doing well — PayPal reported that it did $41 P2P payments in 2016 across PayPal, Venmo and Xoom. Bareisis suggests 2017 could be the year banks get into P2P, especially with the autumn announcement of Zelle from Early Warning, a bank network operator. Good point -- Bank of America this week announced it was offering P2P payments through Zelle.

The banks may have some catching up to do. Venmo offers a distinctly cheeky customer experience, letting users split bills and add social commentary at the same time, a feature that appeals to youthful users as much as it horrifies their older acquaintances…see the Quartz story about the Venmo line for an amusing description of the difference in visions.

Celent notes that the definition of merchant continues to expand. “Aren’t we all merchants now?” Bareisis asked. With APIs, services such as PayPal’s Braintree, Stripe, and Marqeta allow startup sellers and individuals to accept payments.

forbes.com

Tech Breakthroughs Take A Backseat In Upcoming Apple iPhone Launch

February 23, 2017

“Rather than representing major breakthroughs, however, most of the innovations have been available in competing phones for several years.”

When Apple Inc launches its much-anticipated 10th anniversary iPhone this fall, it will offer an unwitting lesson in how much the smartphone industry it pioneered has matured.

The new iPhone is expected to include new features such as high-resolution displays, wireless charging and 3-D sensors. Rather than representing major breakthroughs, however, most of the innovations have been available in competing phones for several years.

Apple's relatively slow adoption of new features both reflects and reinforces the fact smartphone customers are holding onto their phones longer. Timothy Arcuri, an analyst at Cowen & Co, believes upwards of 40 percent of iPhones on the market are more than two years old, a historical high.

That is a big reason why investors have driven Apple shares to an all-time high. There is pent-up demand for a new iPhone, even if it does not offer breakthrough technologies.

It is not clear whether Apple deliberately held off on packing some of the new features into the current iPhone 7, which has been criticized for a lack of differentiation from its predecessor. Apple declined to comment on the upcoming product.

Still, the development and roll-out of the anniversary iPhone suggest Apple’s product strategy is driven less by technological innovation than by consumer upgrade cycles and Apple’s own business and marketing needs.

"When a market gets saturated, the growth is all about refresh," said Bob O’Donnell of Technalysis Research. "This is exactly what happened to PCs. It's exactly what happened to tablets. It's starting to happen to smartphones."

Apple is close-mouthed about upcoming product features, but analysts and reports from Asian component suppliers and others indicate that high-resolution displays based on OLED technology -- possibly with curved edges -- are likely to be part of the anniversary phone. A radical new design is not expected, according to analysts.

Some of the anticipated new technologies, notably wireless charging, remain messy. Samsung Electronics Co Ltd phones, for example, feature wireless charging but support two different sets of standards, one called Qi and the other AirFuel.

Apple recently joined the group backing Qi. But there are still at least five different groups working on wireless charging technology within Apple, according to a person with knowledge of the matter.

As to 3-D sensors, there is already one hiding in the iPhone 7. The front camera features what is known as a time-of-flight sensor, which helps it autofocus and is used in numerous phones including the Blackberry, according to TechInsights, a firm that examines the chips inside tech devices.

That sensor could be upgraded to a higher-resolution version that could handle 3-D mapping for facial recognition, said Jim Morrison, vice president at TechInsights.

Some analysts also speculate the company could remove the phone's home button, placing it and a fingerprint sensor beneath the front display glass, based on patents the company has filed.

Slow Growth

Global smartphone sales were up only 2.3 percent to 1.47 billion units in 2016, according to IDC. Many carriers in the United States have stopped subsidizing phones, causing phone buyers to think harder about their next purchase.

Apple will likely make a heavy marketing push around the phone’s 10th anniversary. “IPhone set the standard for mobile computing in its first decade and we are just getting started. The best is yet to come,” Chief Executive Officer Tim Cook said in a statement Jan. 8, the date the iPhone was announced by then-CEO Steve Jobs in 2007.

In 2015, the last year it disclosed the figure, Apple spent $1.8 billion on advertising, up 50 percent from the year before and nearly four times the $467 million it spent in 2007 when it first released the iPhone.

And the company continues to excel at selling higher-priced phones. Chief Financial Officer Luca Maestri attributed the most recent quarter's record-setting 78.3 million iPhones sold to the iPhone 7 Plus, which for the first time included a new dual camera feature not found in other models.

The iPhone 7 Plus tops out at $969 with memory upgrades and a jet black finish. O'Donnell of Technalysis Research believes that with the next iPhone, Apple might even introduce a $1,000-plus “ultra-premium device for the real Apple-crazed folks out there who want to stand out."

reuters.com

Mergers and Acquisitions

Layer Raises $15 Million, Confirms Acquisition Of Cola’s Messaging Platform

February 24, 2017

“As far as Cola goes, the service is no stranger to Layer — in fact, it’s built on Layer’s messaging platform. Cola was one of the first companies to build out rich messages, and when the opportunity came around, an acquisition deal was made.”

Layer has secured additional funding to further develop its messaging platform that lets brands and developers create a Facebook Messenger-like experience inside their own apps. The company today revealed that it has raised a $15 million Series B investment round, led by Greycroft Partners. Microsoft Ventures, Salesforce Ventures, CME Group, and existing investors SV Angel, AME Cloud Ventures, Promus Ventures, CrunchFund, Fuel Capital, and others participated.

The latest infusion of capital will be used to help Layer develop what it calls customized interactive “stateful” messages, and the company’s evolution will draw on the assets it acquired from messaging platform Cola, a deal Layer has now confirmed. The acquisition includes not only Cola’s core intellectual property, but also its patents, the back-end, and the technology stack it developed. Two of Cola’s engineers will also be joining the Layer team, including chief technology officer Jeremy Wyld, one of the original members of Apple’s iPhone engineering team.

Strategic Investors To Help Aim Up-Market

Ron Palmeri, Layer's chief executive, described the round as "substantially over-subscribed" and said it comes from a group of investors who are excited about the company's mission. While Layer is not profitable yet, it has been steadily decreasing its burn rate as it works to become cash-flow positive for the year. "We're very hopeful that when it comes time to raise again, it will [be to] fund the next wave of growth, not that we need to raise money," he said.

Some of the new investment relationships are strategic, giving Layer an opportunity to build up infrastructure and capabilities to target more up-market customers. This isn't the first time Layer has worked with Microsoft, as the two companies collaborated on a messaging experience around this year's World Economic Forum to offer translation services in an accessible manner. Layer will likely be able to tap into Microsoft's artificial intelligence and machine learning capabilities as a result of the updated partnership. And bringing in Salesforce and the CME Group (the firm behind the Chicago Mercantile Exchange) could further Layer's reach in the sales and finance space.

Targeting the enterprise has brought about good results for the company — Palmeri estimated that the average deal size went up 10 times over the course of the year and that Layer is "steadily doing larger and larger deals with bigger companies." "We're going after big companies, not chasing small companies anymore," he said. "It's becoming harder and harder for businesses to differentiate themselves, so we want to give them tools to create branded and customized experiences that are mapped to their customers. A brand is really a conversation that a company has with customers. We're giving them a really powerful set of capabilities on behalf of themselves, not someone else's."

To date, Layer has raised $23 million in venture capital. Palmeri declined to provide the company's valuation.

What To Do With Cola

As far as Cola goes, the service is no stranger to Layer — in fact, it's built on Layer's messaging platform. Cola was one of the first companies to build out rich messages, and when the opportunity came around, an acquisition deal was made.

"There's a ton of synergy between the missions of Layer and Cola," said Cola CEO David Temkin. "This is a perfect place for us to join forces with a company that very much shares and understands our vision. Cola technology will be available to Layer's entire developer ecosystem, incorporating our platform into the hundreds of apps that Layer developers are building."

"With this new acquisition, Layer is extending its messaging platform to give brands access to Cola technology — interactive, stateful messages that live inside a conversation," Palmeri said. "Now, developers using Layer will have a framework to make these events interactive and collaborative."

Launched in 2013, Layer functions as a platform to let developers implement messaging capabilities into their apps. This form of communication has evolved from one that is primarily among friends and families to become a preferred method when interacting with businesses, such as banks or airlines. But while Apple, Google, and Facebook play a dominate role in messaging, including recently adding features such as contextual actions to enhance the experience, Layer doesn't think that developers should be forced to surrender creative control to these tech giants.

"Our mission is to provide businesses with their own branded experiences for mobile properties. It doesn't have to be native apps and can be channels that matter to them, like email, SMS, and the web," Palmeri told VentureBeat. "A big part of our mission is to bring the same set of capabilities that the big guys have to an explicit experience our customers are trying to make."

With Cola's technology, Layer is moving forward with its pursuit of "stateful" messages, which not only provide contextual action items within conversations, but are customized based on specific behaviors. "It's the foundation for companies to build not only benchmark best-in-class messages, but to take technology and build things that will be specific to the workflow of businesses," Palmeri explained. "At different stages, [messages] can look different and serve different purposes. Think about moving through the mortgage or claims process [through messaging apps]."

A big part of Cola's platform was the templated "bubbles" that aimed to streamline conversations and eliminate text-a-thons. Some of the pre-installed bubbles let you do things like track your flight, watch YouTube videos, add animated GIFs, display the weather, create a poll, manage a conference call, share a to-do list, send your location, find out times to meet, take a photo or video, access your media library, and inform others you're on your way.

Palmeri promised that these bubbles will still be available, but Layer will continue to develop a framework that will allow developers to build their own, likely keeping the open platform that Cola debuted in July. "This is where things will get interesting," he said. Palmeri cited as an example stylist startup Trunk Club, which built its own bubble-like capability outside of Cola to provide a concierge experience to shoppers. "[This is the type of] thing that we want people to build easily with the whole platform."

When asked about the acquisition price VentureBeat had reported earlier, Palmeri declined to share details, but he said the total value of the acquisition "was higher. It cost Layer far more than $75,000." He cited things such as talent costs, patents, licenses, and other considerations and said it was an all-cash deal.

venturebeat.com

Time Warner Is Selling A TV Station To Speed Up The AT&T Deal

February 23, 2017

Time Warner said on Thursday it plans to sell a broadcast station in Atlanta to Meredith, which could help speed the company's planned merger with AT&T.
In January, AT&T said it expected to be able to bypass the Federal Communications Commission in its planned $85.4 billion acquisition of Time Warner (TWX, +0.17%) because it would not seek to transfer any Time Warner licenses.

FCC Chairman Ajit Pai on Thursday declined to say if he would seek to use the proposed TV station license transfer as a way to examine the AT&T Time Warner merger. About a dozen senators have urged him to review the deal.

The station that Time Warner is selling, WPCH-TV in Atlanta, is its only FCC-regulated broadcast station. But it has other, more minor FCC licenses. Meredith has operated WPCH-TV for Time Warner since 2011. It was previously know as WTBS.

Time Warner said last month that since it does not plan to transfer any FCC licenses to AT&T, it would likely not need FCC approval and would only need the consent of the U.S. Justice Department.

The Justice Department has to prove a proposed deal harms competition in order to block it. But the FCC has broad leeway to block a merger it deems is not in the "public interest" and can impose additional conditions.

fortune.com

Industry Reports

Telecom Deals Are Back As CEOs Head For Barcelona Gathering

February 23, 2017

"At the forefront of U.S. speculation [about mergers and acquisitions] is Deutsche Telekom's T-Mobile US Inc. unit, led by maverick CEO John Legere."

Telecom executives from Vodafone Group Plc to Deutsche Telekom AG and Telefonica SA are headed to the industry's annual get-together in Barcelona next week with more on their minds than the latest handsets.

Deals under consideration at the highest levels could realign the industry on a global scale, and executives like Deutsche Telekom Chief Executive Officer Tim Hoettges and Vodafone's Vittorio Colao who are attending Mobile World Congress carry the weight of decisions that will shape their companies for years to come.

At the annual meeting known mainly for gadget releases, Hoettges may run into SoftBank Group Corp. founder Masayoshi Son, who's open to handing control of U.S. carrier Sprint Corp. to the Germans in a deal that would upend the U.S. telecom market. Vodafone's Colao is working on a fix for an Indian operation that has lost billions, while navigating the next step in a mobile-to-cable alliance with Liberty Global Plc -- whose CEO Mike Fries will also attend. French consolidation may be taken up again later this year, and Spain's Telefonica is still looking to extract cash from its O2 unit in the U.K.

"We expect healthy M&A activity in 2017," said Joachim Sonne, who co-heads the telecom, media and technology investment banking unit in Europe, the Middle East and Africa at JPMorgan Chase & Co.

After falling for two years, the value of telecom-industry deals announced globally in 2016 rose 34 percent to $266 billion, according to data compiled by Bloomberg. Lower GDP growth is forcing the carriers to find new ways to drive revenue and earnings, Sonne said. Pressure to consolidate is mounting as companies have access to cash and attractive financing, he said, while financial buyers display a growing appetite and activist investors stir the pot.

In the U.S., where phone carriers have tried to merge with content players, dealmaking may be aided by looser regulation under President Donald Trump. In Europe, authorities have suggested they're willing to allow mergers that increase competition or better position the region's companies against larger rivals from the U.S. and Asia.

"What held back M&A in the U.S. was the Obama administration," said Roger Entner, an analyst at Recon Analytics LLC. "The U.S. still sets the tone when it comes to M&A, and a more lenient administration will likely influence the rest of the world."

U.S. Deal

At the forefront of U.S. speculation is Deutsche Telekom's T-Mobile US Inc. unit, led by maverick CEO John Legere. When Sprint's attempt to buy the asset was derailed in 2014, T-Mobile was behind in subscribers, sales and market value. It's now worth $52 billion -- 41 percent more than Sprint -- and has grown rapidly with products like free video streaming and unlimited data plans for consumers hooked on YouTube or Netflix.

SoftBank is open to all options, including a partial or full sale of its 83 percent Sprint stake to T-Mobile, according to a person familiar with the matter. Talks with Deutsche Telekom are expected to start after a U.S. spectrum auction ends in April, the person said. Deutsche Telekom declined to comment. A SoftBank official wasn't immediately available to comment on its stance, which was reported earlier by Reuters.

At U.K.-based Vodafone, Colao has decisions to make on at least two fronts. The company is in discussions to merge its Indian unit with Idea Cellular Ltd., a deal that would create the country's largest mobile-phone company and bolster a business Vodafone wrote down by more than $5 billion last year. The partners may sell as much as 20 percent of the unit once the deal is completed, CNBC reported this week.

Vodafone-Malone

Vodafone, the world's second-largest wireless carrier, has also courted Liberty Global, John Malone's European cable-TV company. The two companies have complementary businesses in major territories including the U.K., Ireland and Germany.

"Both companies have publicly stated that there is an interest. If they came up with something people wouldn't be too surprised,'' said Arun Agarwal, partner at London-based hedge fund Altavista Investment Management, which owns stock in Liberty Global and Vodafone. "Everyone wants to be more quad-play," he said, referring to internet, TV, wireless and fixed phone services.

Since sealing a joint venture in the Netherlands at year-end, Vodafone and Liberty have been holding on-and-off discussions about more alliances or asset swaps, according to people familiar with the situation. The likelihood of such transactions or even a broader combination has increased with the potential solution in India and the rebound in Liberty's shares, said the people, who asked not to be named discussing private matters.

While both sides are open to further deals, obstacles remain, the people said. They include valuation, geographical mismatches including in India, Africa and Latin America, and Malone's supervoting stock in Liberty Global, one person said.

Vodafone and Liberty declined to comment. In January, Liberty Global's Fries said the companies may look at swapping assets, though the long-speculated tie-up between the companies at a corporate level was "not on the table."

Supply, Demand

Not everyone is bullish on M&A prospects. There are more sellers than buyers in the tele-communications market, which may make it hard for deals to get over the finish line, Entner said. Moreover, political and regulatory uncertainty may complicate larger global deals, said Richard Price, head of telecoms, media and technology EMEA at Mitsubishi UFJ Financial Group Inc.

One company that hit snags is Telefonica, whose sale of its U.K. unit O2 was blocked by regulators last year, and had to pull an IPO of its Telxius infrastructure unit before agreeing to sell a stake to KKR & Co. this month. The Spanish company, which is trying to pay down debt, said this week that it could later seek an IPO of Telxius's undersea cable unit or its tower division. Telefonica said it continues to weigh a stake sale or IPO of O2.

Deutsche Telekom's Hoettges has long advocated for consolidation in Europe, where about 100 landline and wireless network providers operate. That would improve the industry's cost structure as it competes on a growing number of fronts with large overseas rivals as well as Internet companies such as Google and Facebook Inc.

Media Mergers

Christian Lesueur, head of telecom, media and technology for EMEA at UBS Group AG in London, points out that with many smaller, single-country deals in Europe done, future activity will be larger and more difficult to execute.

One answer would be to seek alliances with content companies, as AT&T Inc. is attempting in its planned merger with Time Warner Inc. Such deals will likely be looked upon favorably in Brussels, Entner said.

“If it’s a vertical merger, why deny it?” Entner said. “It’s a way for Europe to create competitors that can stand up to American companies.”

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In The Game Of Phones, Verizon Dominates

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“Though Verizon came out on top again, its competitors are catching up. This time around, both Sprint and AT&T won in more categories than they had in tests from the first half of 2016.”

As the battle for network supremacy rages on, Verizon Wireless has a firm grip on the throne.

Verizon dominated across the board in RootMetrics' nationwide test of wireless performance during the second half of 2016. This marks the seventh straight time Verizon has topped RootMetrics' semiannual study.

The New York-based network giant earned the highest overall score and took the top spot in reliability, speed, data, calling and texting. AT&T came in second in each category, except for call performance. Sprint took that spot.

Verizon may be RootMetrics' top dog, but T-Mobile argues network results should come from crowdsourced data like OpenSignal and Speedtest.net. Last August, OpenSignal awarded T-Mobile with the title of fastest network in the US, and in its latest results, it called a tie between T-Mobile and Verizon.

RootMetrics said it conducted 3.7 million tests across 249,935 miles and 4,283 indoor locations to get its results. OpenSignal and Speedtest get different results because they use data from 4.5 billion samples taken by everyday people in real-world situations.

On the state level, Verizon had the highest overall score in 39 states and tied with AT&T in nine states, according to RootMetrics. AT&T won in two states, while Sprint and T-Mobile didn't win in any states.

In city regions, T-Mobile made a comeback with stronger performance for speed and reliability. But it was still unable to best Verizon, which blew out the competition by winning in 93 percent of cities.

"These test results are absolutely overwhelming," Nicola Palmer, Verizon's chief wireless network officer, said in an emailed statement. "We are extending our lead in network performance in the top 125 metro areas and in state and national network performance results."

Though Verizon came out on top again, its competitors are catching up. This time around, both Sprint and AT&T won in more categories than they had in tests from the first half of 2016. Sprint's performance was the most improved since the first part of 2016, while T-Mobile was the only carrier to have gotten worse, according to RootMetrics.

"We're excited to have achieved our best-ever performance in cities across the country," Sprint CTO John Saw said in a blog post. AT&T didn't respond to requests for comment.

T-Mobile remained skeptical of RootMetrics' reports, pointing to crowdsourced testing where it came out on top instead.

"Crowdsourced testing measures real usage, not a test script," T-Mobile CTO Neville Ray said in a letter blasting the pro-Verizon findings. "You're getting info on how people actually use their devices, not a consultant's interpretation of actual usage."

You can check out RootMetrics' findings for yourself: across the US, by state and in metro areas.

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