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This Week's Stories

Amazon To Start Collecting State Sales Taxes Everywhere

March 29, 2017

The days shopping tax-free with Amazon are coming to an end.

On Saturday Amazon will start collecting sales taxes on purchases in the last four states where it wasn't doing so: Hawaii, Idaho, Maine and New Mexico. Four other states -- Delaware, Montana, New Hampshire and Oregon -- have no sales tax, while a fifth, Alaska, doesn't have a statewide tax, but it does have municipal sales taxes.

Typically, an online retailer only has to collect sales tax in states where they have a physical presence, such as a storefront or a distribution center. That loophole cost states \$17.2 billion in lost sales taxes last year, according to the National Conference of State Legislatures.

"The way we are consuming things is so different. Because of that, the states' sales tax revenue is not keeping pace," said Max Behlke, director of budget and tax policy for the NCSL. "States have to modernize [sales taxes] to the 21st century. If they can't collect sales taxes, it'll mean higher state income taxes or property taxes."

Embattled brick-and-mortar retailers have long complained about what they argue is the unfair advantage held by their online rivals. But various bills to require online retailers to collect all the different sales taxes have stalled in Congress, despite bipartisan support.

For years Amazon was one of the leaders in the fight to keep online purchases tax free. But as it has moved to offer faster and faster deliveries, it has expanded its network of distribution centers and started collecting sales taxes in more and more states.

"Their business model has changed. To have same day or next day delivery, you need distribution centers nearby," said Behlke.

By the end of last year, Amazon was collecting sales taxes in 29 states and Washington D.C. Since that list included all of the largest states, which meant it was effectively collecting sales tax from 86% of the nation's population. The site has been rapidly adding the remaining states to the list of places where it collects taxes this year, bringing the total to 41 states plus Washington. And as of April 1, it will collect from all 45 states that have a statewide sales tax.

Amazon did not respond to a request for comment on the change in policy.

And there is still one big sales-tax loophole left on Amazon: Shoppers don't have to pay sales tax when they buy from one of the site's many third-party vendors.

Those vendors have huge sales in their own right. Amazon says it has more than 100,000 vendors who sell more than \$100,000 each annually, which means total sales of more than \$10 billion. Amazon says that nearly half the items it sells are from third-party vendors.

"Whatever a state is getting in sales tax from Amazon, it should probably be getting about twice that much," said Behlke.

money.cnn.com

Apple iOS 10.3: Should You Upgrade?

March 29, 2017

“iOS 10.3 targets all iOS 10 compatible devices: the iPhone 5 or later, iPad 4 or later, iPad mini 2 or later, iPad Pro range and the 6th generation iPod touch or later.”

It has taken seven betas, but Apple has finally released iOS 10.3. The new update has caused some scares, but also brings essential optimization. So should you upgrade?

Here’s everything you need to know...

Who Is iOS 10.3 For?

iOS 10.3 targets all iOS 10 compatible devices: the iPhone 5 or later, iPad 4 or later, iPad mini 2 or later, iPad Pro range and the 6th generation iPod touch or later.

You should be prompted to upgrade to iOS 10.3 automatically, but if that hasn’t happened it can be triggered manually by going to Settings > General > Software Update.

iOS updates differ in size depending on your device. In the case of iOS 10.3 it is a medium-sized update weighing in at up to 600MB, and it’s an important one.

The Deal Breakers

iOS 10.3 will break any jailbroken devices. In recent years jailbreaking teams’ game of cat and mouse has been decidedly one sided with Apple consistently retaining the upper hand and iOS upgrades making jailbreaks less important than they once were. That said, if you value having a jailbroken device, steer clear.

Secondly there is an ongoing argument at Apple’s official Support Communities over whether iOS 10.3 (and its previous betas) truly fixes the 30% Battery Bug which Apple claimed it had addressed in iOS 10.2.1 (which in truth was only a partial success).

The argument from those who are skeptical is that Apple has changed how it reports the battery percentage (an ‘artificial meter’), rather than fixing the underlying cause. Whether this is true remains to be seen, but the fact is - fixed or not - this should not stop users upgrading if they are already affected.

Aside from this there are some isolated reports in Apple Support Communities about failed updates (impatience can actually be a factor) and Bluetooth connectivity issues (1, 2) but nothing has shown any sign of wide scale problems. I’ll update should that change.

So What Do You Get?

Being a ‘major point upgrade’ iOS 10.3 is a feature rich update, the highlights of which include:

- Find My iPhone - track lost AirPods by requesting a sound is played from them (you’ll need a relatively quiet environment, but it works well)
- Siri - support for paying and checking bill status in payment apps, scheduling in ride booking apps, access the functionality of car maker’s apps
- CarPlay - shortcuts in the status bar for easy access to recent apps, Apple Music Now Playing gives access to Up Next and the currently playing song’s album, daily curated playlists and new music categories in Apple Music
- iTunes - movie rentals (finally!)
- Settings - a unified view for Apple ID account information, settings and devices V
- Maps - Hourly weather using 3D Touch on the displayed current temperature, searching for your ‘parked car’

- Calendar - delete unwanted invites and report them as junk (vital given this has been a method for spam)
- Home - support for 'scenes' using accessories with switches and buttons, battery level status in accessories
- Podcasts - support for 3D Touch and Today widget to access recently updated shows, episodes now shareable to Messages with playback support

In addition to this the biggest news is the introduction of the Apple File System (APFS). APFS replaces the ancient HFS+ (launched back in 1998) which itself is based on HFS (launched in 1985!). APFS is more efficient so it saves space (expect 1-7GB depending on the storage size of your device), enables better backups, is more secure and optimized for solid state storage - which was what all iOS devices use.

An Apple engineer also revealed that Apple has quietly optimized system animations to make navigation feel faster.

Meanwhile on the security side of things iOS 10.3 is now actively warning users if they have 32-bit apps installed. iOS moved to 64-bit several years ago and now Apple is hunting down outdated apps which have yet to make the change. In addition to this around 100 vulnerabilities have been fixed, including a high profile Safari flaw which allowed hackers to stop users browsing the web and demand payment through an endless stream of pop-ups.

Apple iOS 10.3 Install Verdict: Upgrade

iOS 10.3 is one of the most impressive updates Apple has released in some time. Switching the entire file system of around one billion compatible devices is a huge task and all signs are it has gone smoothly, while also saving users space and improving performance. No doubt there is also room for further optimization with time.

In addition to this the new features are useful, practical and in some cases (iTunes movie rentals) overdue. A cloud still hangs over Apple's lack of transparency regarding the 30% Bug and affected users are still reporting it isn't a perfect cure (and are doubtful about the methods Apple has employed to 'fix' it), but overall iOS 10.3 is a very good step forward for all compatible iPhones, iPads and iPod touch.

The Road Ahead

In a curious move Apple has announced iOS 10.3.2 is now in beta testing with no sign of iOS 10.3.1. Perhaps iOS 10.3.1 will be a minor update/bug fix and Apple feels there is no need to test it first, but I don't remember out of sequence testing occurring before.

Making things more curious is iOS 10.3.2 Beta 1 suggests it is also focused on fixes not features. A quick release for iOS 10.3.1 could clear this up, but for now it's odd.

Meanwhile, despite still being six months away, speculation is already growing about iOS 11 and some vague claims are floating around that it brings upgrades to Siri. I'd take these with a pinch of salt at this stage and simply hope that the seamless introduction of APFS in iOS 10.3 marks a return to the rock solid updates we saw prior to iOS 7.

No longer using a file system based on a core which is 32 years old has to be a good sign...

forbes.com

Products & Services

Report: Free Trials Push Apple Music Ahead Of Pandora And Spotify On Mobile Usage

March 30, 2017

“Apple Music attracted 40.7 million monthly unique users to its service in the U.S. in February. In comparison, Pandora came in at number two with 32.6 million users, and Spotify took third place with 30.4 million unique users for the month.”

Spotify may be the reigning leader when it comes to the largest number of paid subscribers for a streaming music service, but it’s Apple that comes out on top when their respective audiences translate into monthly unique users, specifically on mobile.

A report published this week from mobile analytics firm Verto has found that Apple Music attracted 40.7 million monthly unique users to its service in the U.S. in February. In comparison, Pandora came in at number two with 32.6 million users, and Spotify took third place with 30.4 million unique users for the month. Others ranking highly among music apps include iHeartRadio, SoundCloud and Amazon Music. iHeartRadio took the fourth slot, while SoundCloud, which last week secured a \$70 million credit line, took the fifth slot.

Verto also found that YouTube, which has a relatively small number of monthly unique users on mobile in the US — just 2.6 million users — had the “stickiest” service, with a 35 percent “stickiness” rating (dividing daily by monthly active users). Doing the math, this gives YouTube 875,000 daily active users on mobile in the US. Spotify also scored strong here, grabbing the highest number of listening sessions per month, at 51.

(Google’s music properties, in fact, are not huge winners in terms of active users on mobile: Google Play ranked ninth among music apps in terms of monthly unique in the US, with around 6 million.)

Verto — a competitor to companies like ComScore that has raised around \$24 million — says that it bases its figures on data is pulled from 20,000 SmartPanel users, people in the US and UK who opt-in to Verto’s on-device metering app on their phone, tablet and computer, letting it measure their usage on across devices, apps, and sites. This measurement data is then combined with calibration data that Verto collects from analytics and advertising platforms across nearly half a billion devices monthly. (Customers include Universal Music Group, EA Games, Johnson&Johnson, Microsoft and others.)

The reason why Apple Music brought in the most monthly unique on mobile in the US is an interesting surprise. According to Verto’s Connie Hwong, it comes down Apple Music’s three- month free trial, which more than doubles the amount of people who are listening using its app in the US: Apple last reported 20 million paying subscribers globally (not just the U.S.) for Apple Music in December 2016.

While paying users tell one story about a company, and registered users tell another, active users is still a third. In the cases of Spotify and Pandora, which are older services, there is a pretty wide gulf between registered (and paying) users and people who actively open an app on their phones.

Spotify earlier this month said that it had passed the 50 million mark for paying users globally; it hasn’t updated its overall users (including free) since last June, but at the time it said it had over 100 million. Verto’s figure of 30.4 million active users in the US in February is one-third the size of all of Spotify’s global registered users, and two-thirds the size of all paying users.

Pandora today has 81 million users, but only around 4 million of them are paying for its Pandora Plus tier, which gives users some control over the music that is played, but without being a full on-demand service. The premium tier, which will have an on-demand component, was announced earlier this month. Verto’s figure of 32.6 million users is just under one-half the size of all users; and eight times

as many paying users — a proportion that Pandora is under a lot of pressure to grow with the introduction of that \$9.99 premium tier.

What's interesting to me here is how Apple Music's free tier seems to be doing so well here. There are a few reasons why that might be the case.

For starters, Apple Music is preloaded on all iPhones, making the service that much easier for users to try out. Then, there is Beats 1, Apple's radio service.

In a profile in the Verge, Apple Music executive Larry Jackson described Beats 1 as "the biggest radio station in the world" (although Apple declines to give actual usage numbers). Robert Kondrk, another Apple exec, pointed specifically to its strength as an onboarding tool for Apple Music (incidentally eating into SoundCloud's business in the process), specifically around exclusive content that's streamed on Beats 1 that then links to streams in Apple Music:

"Now an audience which once went to SoundCloud to hear the latest Drake music heads to Beats 1 first."

Kondrk describes the relationship between Apple Music and Beats 1 like an amusement park — once you're inside the Apple Music app to listen to Beats 1, it's only natural you'll stay in it to stream the songs afterward."

There's also the novelty aspect of a new app: users download apps but often stop using them after a while, and perhaps the same may go for a certain proportion of people who have downloaded older music apps. Conversely, there may be some curiosity about the newer Apple Music app and people's interest in trying it out.

But the same can't be said for every new entrant music app. Tidal, the streaming service co-owned by Jay Z and with a roster of other big music artists among its backers, hasn't been entirely forthcoming about how many users it has: Verto cites just 100,000, while a report in January, near the time when Sprint disclosed a 33% stake in the business, said the number was closer to 850,000, and Tidal itself has said it's 3 million.

Whatever the actual global number is, Verto said that the users Tidal tend to be dedicated, with a "stickiness" rating of 22 percent, the same as Amazon Music, with an average number of listening sessions for the month at 46, just behind Spotify's 51.

The focus on mobile in this report partly comes out of the fact that mobile — and specifically the mobile phone — represents the most popular platform for digital music at the moment:

The message for music app developers seems to be fairly clear: if you are a music app that wants to continue to grow your user base, you need a mobile app that's pulling in active listeners on a very regular basis. It points to why we are seeing the likes of Spotify launch so many different variations on the concept of recommendation and discovery services, and why we'll continue to see more of these from the rest of the field. "For streaming music services that offer on-demand music libraries, a vast catalog is no longer a selling point," Verto writes. "It's a given."

techcrunch.com

What The Samsung S8 Means For The iPhone 8

March 30, 2017

Months before Apple could release a new iPhone that's all screen, glorious screen, Samsung beat it to the punch.

Samsung unveiled its latest smartphone on Wednesday, the Galaxy S8. The sleek phone's standout features are a screen that goes nearly to the edges of the device, and a virtual assistant named Bixby.

Can this phone lure away iPhone customers, or at least undermine Apple by featuring similar advancements first?

This summer marks the iPhone's 10th anniversary. As it does every year, Apple will likely unveil a new version of the smartphone at a flashy press event.

This year, there are heightened expectations that the company will wow customers with something fresh to mark the occasion after keeping the hardware design largely unchanged in recent versions. After a decade of amazing and consistent growth, iPhone sales finally started to cool off in 2016, though they bounced back again this past quarter.

"I think it does put a lot of pressure on Apple to show that they can still innovate. Certainly Apple remains the one to beat," said analyst Christopher Voce of Forrester Research.

Many faithful iPhone owners have been putting off upgrading to wait and see what the company has in store for this year's model. Rumors include an edge-to-edge screen and the removal of the physical home button -- just like the S8. The new iPhone could also have wireless charging and a slew of high-end camera features. Apple might even skip calling it the iPhone 7S and name it something more dramatic such as iPhone 8, iPhone X or iPhone Pro. The early buzz for the S8 has been mostly positive.

That's a blessing for Samsung, which is still reeling from its disastrous Galaxy Note 7 launch last year. The company had to recall, then discontinue, those devices after faulty batteries caused sudden fires.

While it's first to the large screen, it's last to the virtual assistant. Samsung has jumped on the hottest tech trend and launched its very own voice-activated assistant, Bixby. But early looks indicate Bixby is no Siri. Or Cortana or Alexa. In fact, it seems to do less than other voice assistants while also directly competing with Google's own version which is part of Android.

Apple doesn't have to be first to a feature to sell it as revolutionary. In fact, many of its biggest additions in recent years already existed on other devices -- like waterproofing, stickers and animations in messages, and Live Photos, which are similar to animated gifs.

The iPhone won't be the first to have an edge-to-edge screen, but you can bet the company will describe it as revolutionary. Jony Ive might wax poetic in a video showing the manufacturing process. The key is making sure Apple executes the feature the best, perhaps by having smaller bezels or none at all.

Are people really choosing a phone based on bezels? How many even know what a bezel is (it's the frame around the screen)? There are Android and iPhone people, each faithful to their chosen ecosystems. But some customers are still up for grabs.

"You're going to have people in one camp or another, but then a lot of people in the middle who go back and forth," said Voce.

We might be running out of ways to truly innovate with smartphone designs. In which case, the battles will be won based on the quality of the design, pricing and perhaps whether or not a device has a headphone jack or catches fire.

money.cnn.com

Emerging Technology

Adobe's Experimental App Copies One Photo's Style To Another

March 30, 2017

“It can transform a lake photo snapped in the most boring light possible into one that looks like it was taken at the golden hour on another planet. In another example it transforms a daylight city shot into a much more interesting nighttime scene.”

Photo retouching and style matching (not to be confused with Prisma-like Instagram filters) is challenging work that requires a trained eye and hours of labor. At least, it was, until AI took that job, too. Researchers from Adobe and Cornell University have showed off an experimental app called "Deep Photo Style transfer" that can transform your image from drab to dramatic using someone else's photo.

Using it is pretty simple -- you just select a photo you want to change and one with the style you're trying to emulate. The AI does the rest, applying the color, lighting and contrast of the example photo to the original. It can transform a lake photo snapped in the most boring light possible into one that looks like it was taken at the golden hour on another planet. In another example it transforms a daylight city shot into a much more interesting nighttime scene.

The researchers built on the "Neural Style Transfer" work done by European researchers. They refined it so that the style transfer only happens to colors and doesn't distort objects in the picture, like previous deep learning systems. In other words, it can pick out which part of the image is sky and which part is ground, so that the sky doesn't "spill over" into the rest of the image, the team says.

The system works well on a wide range of photos, including a flower shot, drab house along a road and a temple scene. The team did a study and found that viewers judged the photos to be faithful to the example style 80 percent of the time, much better than more basic methods like Photoshop's "match color setting."

The next step, the team says, is to improve the way that the AI divides up the image to create even more precise color settings. Adobe hasn't said whether it plans to implement this in Photoshop, but if you have Linux and want to try it right now, you can download the app, complete with examples, from Github.

engadget.com

Scheduled Is A New App That Lets You Schedule Your Text Messages

March 30, 2017

Want to remember to tell a friend happy birthday, good luck or congratulations? Had a follow-up question for a client that just occurred to you at 1 AM? Want to write a heartfelt thank you to be texted at a later date? Unfortunately, neither SMS nor most messaging apps – including iMessage – allow you to draft a text in advance and schedule it to be sent out on a later date. But a new iOS application called Scheduled can help.

To be clear, the app does not actually schedule texts for automatic sending.

For that, you'd need to hack your iPhone and use one of the jailbreak apps instead. Apple does not allow for this functionality, officially.

What Scheduled does is offer an App Store-approved workaround for scheduling texts.

The app itself is simple and straightforward to use.

You first select the person you want to text from your Contacts, then write the text you want to send and select the time you want to be reminded to send the text. When that time rolls around, Scheduled sends you a push notification so you can return to the app to send the text.

After sending, a quick swipe will delete the reminder from the app's queue.

Scheduled isn't only for SMS or iMessage, however – it also supports messaging apps like Telegram, WhatsApp, Messenger, Twitter, and it allows you to copy the message's text to paste it into any other app of your choice. It can be used for reminding you of emails or phone calls, too.

Further down the road, Scheduled plans to add support for LinkedIn and Slack, and it will roll out a few tweaks to the sending flow, Apple Watch integration, and Android support at some point.

To be fair, there are other text message scheduling apps on the App Store, but Scheduled's interface is clean and modern, compared with those I've seen previously.

The app itself is a product from Brthrs Agency, a digital agency just outside Amsterdam in The Netherlands, which does a combination of client work and startup investing. The team, which consists of Sebastiaan Kooijman and Robert Keus, tells TechCrunch that Scheduled is currently a bootstrapped company project. They're considering making it a startup of its own, if it achieves traction.

The team says the plan to make money is to charge \$0.99 if you want to add four or more messages to the queue.

Of course, many users are already asking for auto-send functionality following the app's launch a few days ago, but this is not something that Apple permits.

"We are investigating the options [for auto-send]," says Keus, "but it's hard from a technical perspective. And our concept is to support people to be thoughtful," he adds. "When we have auto-send then people can act like robots."

Agreed.

Scheduled is currently a free download on the iTunes App Store.

techcrunch.com

Mergers and Acquisitions

Audi To Acquire Rental Provider Silvercar To Expand Its Mobility Services

March 30, 2017

“The pickup of Silvercar, which has around 150 employees based in its Texas HQ, seems to be Audi’s shortcut for accelerating those mobility plans, and possibly also for giving them a central brand around which to coalesce.”

Audi plans to acquire Silvercar, a U.S.-based car sharing startup that was founded specifically to address the high-end airport rental car market. The company’s fleet is already made up exclusively of Audi A4 cars, so it’s not exactly going to be a dramatic upheaval in terms of Silvercar’s offering.

Audi also already has a minority stake in the company, since an investment it made in the smaller company back in 2015. Austin-based Silvercar has also boosted its North American presence to 15 different airport locations since that investment, and the goal of the acquisition is not only to continue to grow Silvercar’s core operations, according to Audi, but also to expand Audi’s mobility services offerings in the U.S. market in general.

Already, Audi offers Audi on Demand in certain markets in the U.S., which provides white glove short-term rentals to traveler’s on-demand. The pickup of Silvercar, which has around 150 employees based in its Texas HQ, seems to be Audi’s shortcut for accelerating those mobility plans, and possibly also for giving them a central brand around which to coalesce.

techcrunch.com

LeEco’s \$2 Billion Acquisition Of Vizio Has Reportedly ‘Stalled’

March 30, 2017

There are more problems for ambitious Chinese tech firm LeEco. Its acquisition of U.S.-based TV maker Vizio, a surprise deal announced last summer, has run into issues, according to media reports in China.

Back in February, LeEco brushed off concerns around the deal after Vizio settled an FTC charge for surreptitiously collecting customer viewing data; this time the issue seems financial. More specifically, the \$2 billion deal — announced last July — has “stalled” due to domestic restrictions on the transfer of capital overseas from China, so says a report from Caixin (via Variety.)

“So far the deal is still pending regulatory approval,” was all a spokesperson from LeEco would say when we contacted the company for comment.

LeEco started out offering a Netflix-like service in China, before expanding into consumer electronics with smart TVs, smartphones and an audacious effort to rival Tesla with an electric car developed alongside U.S.-based Faraday Future. However, those ambitions were checked last November when billionaire CEO Yueting Jia told employees that the company’s rapid growth was leading to stagnation and management problems. He proposed to reduce non-essential spending outside of China, and drop his own salary to just \$0.15.

LeEco raised much-needed capital in January when it sold a 15 percent stake in its film distribution firm for around \$150 million, and it pulled in \$600 million as recently as November. Yet despite that capitalization, there have been challenges. The firm slashed its headcount in India (a move it claims was planned), while it is also rumored to be selling the Silicon Valley-based real estate it bought from Yahoo last summer.

Its partnership with Faraday Future has run into multiple roadblocks, too. The smart car project was designed to rival Tesla, but has experienced financial issues while LeEco bizarrely unveiled its own car to rival the project which, reports suggest, was unwittingly designed by Faraday Future.

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Industry Reports

Verizon Reportedly Wants In On This Streaming TV Thing

March 31, 2017

“Verizon has also been acquiring the digital rights to TV stations like CBS and ESPN, according to Bloomberg. However, unlike Comcast, which is rumored to be offering such a service only to its internet customers, Verizon plans to launch it nationwide this summer.”

It looks like Comcast isn't the only cable operator considering a Sling TV-like live streaming service. Verizon has also been acquiring the digital rights to TV stations like CBS and ESPN, according to Bloomberg. However, unlike Comcast, which is rumored to be offering such a service only to its internet customers, Verizon plans to launch it nationwide this summer.

It makes more sense for Verizon (AOL and Engadget's dear parent) to offer a cable cord-cutting service immediately. It has just 4.6 million cable TV subscribers compared to 22.4 million for Comcast, and with seven million broadband users, could immediately boost those figures. It would also be a way for Verizon to offer a bundled TV streaming service with its wireless plans if it wanted, much as AT&T does with DirecTV Now.

Unlike Comcast, which has been testing its Stream online TV service since 2015 in limited markets, Verizon has never done live TV streaming -- apart from the much-derided go90, which mostly features lower-tier and internet content. The company has already signed a pact with CBS with rights for "future digital platforms, with specifics to be released at a later date," Bloomberg notes.

If the rumors are accurate, and assuming Verizon can sign enough stations to make a streaming TV bundle attractive, it'll supposedly launch the service this summer for about the same price as DirecTV Now, which runs \$35 a month for 60 channels. That would give consumers three main live TV options -- Sling TV, DirecTV Now and Verizon -- and several more limited offerings, including Playstation Vue and Hulu.

Verizon's service may also push Comcast into rethinking the scope of its own launch, which would add another nationwide service to the fray. That would make a lot of services for only two million subscribers to internet-based live TV so far. Considering all the cord-cutting happening right now, however, operators seem willing to try anything new.

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AT&T Wins FirstNet Contract, Buoying Tower Sector

March 30, 2017

The U.S. Department of Commerce awarded AT&T the FirstNet contract, giving the carrier the right to build the nation's first nationwide wireless network dedicated to first responders. Finally.

The nation's second-largest operator will get access to FirstNet's 20 MHz of 700 MHz low-band spectrum and \$6.5 billion for designing and operating the nationwide network for federal, state and local authorities, with the right to sell excess capacity on the system. AT&T will spend roughly \$40 billion over the life of the 25-year contract to deploy and maintain the network, the Department of Commerce said, integrating its network assets with FirstNet.

“We are honored to work with FirstNet to build a network for America’s police, firefighters and EMS that is second to none,” AT&T CEO Randall Stephenson said in a press release. “This is an unprecedented public-private investment in infrastructure that makes America a leader and public safety a national priority.”

AT&T had long been viewed as the favorite to win the contract, although FirstNet had to clear some legal hurdles before awarding the contract to the carrier. The U.S. Court of Federal Claims ruled in FirstNet’s favor earlier this month, allowing the project to proceed without a contract award.

FirstNet had wanted to award the contract before the end of last year, but one of the bidders, Rivada, said it was wrongly removed from the list of potential contractors. The federal claims court rejected that argument.

Rivada has indicated it will appeal the ruling and is moving forward with plans to work with states individually to build dedicated networks for public safety. Indeed, Rivada has said it is already working with New Hampshire on an alternative plan for that state should it decide to opt out.

Regardless, the move provides a significant lift for a tower market that has languished in recent months amid speculation of looming consolidation among U.S. carriers.

“Simply stated, doing FirstNet together with AWS-3 and WCS will require one tower climb rather than two,” Nick Del Deo of MoffettNathanson wrote in a recent note to investors. “AT&T is the industry’s biggest single customer and its retrenchment over the past couple years has been the primary factor behind the slowdown in domestic leasing activity ... The tight build timeframe associated with FirstNet—60% coverage within two years, 80% within three years, and so on—all but forces AT&T to utilize existing tower infrastructure and limits its negotiating leverage since it can’t afford to wait (the economics of leveraging its existing network also means existing sites will get amended, and the towers will benefit in proportion to the share of AT&T’s network that each hosts).”

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