

# ITEON●CONSULTING, LLC

## Newsletter Q3 - 2008

### In this issue...

*iPhone, Bluetooth, Electronics on Planes  
New RIAA Regulations  
Space and International Travel  
Price Watch, Iteon News*

### iPhone

The new iPhone is out, and yes it is significantly better than the old one. The 3G download speed is much faster, the device itself is faster, and it now works better with Exchange. All of the cool stuff that you'd expect from the Apple iPhone won't disappoint—it is a cool device.



I returned mine, though.

Three things make it pretty unusable for business users:

1. The keyboard is virtually useless, even for writing a 20 word email—it takes about 15 minutes. There is no way to highlight text or cut and paste. The touchpad is highly error prone, does not work well if you have large fingers, and practice does not seem to help much.
2. My heaviest phone usage is when I'm in the car. While the headphones are very nice, it is nearly impossible to make a call using a touchscreen (no sound or tactile response) while driving.
3. The iPhone autosync is not ready for prime time yet. Of the 50 messages in the inbox, only the most recent 20 would download to the phone. This and a few other bugs will be fixed, but the iPhone isn't terribly useful in the meantime.

If your purpose for the device is reading and filing away new messages, as a multi-media device, and to make the occasional call or send a 2-word response, this might not be a bad device. As a business device, it will not work, no matter how cool it is.

### Bluetooth and Wired

As of July 1, it is now illegal to use a cell phone without a bluetooth, headset, or car speakerphone in California (NY did this a while ago, other states vary in laws). Although it is illegal for young drivers to use a cell phone while driving, it is still legal to text for adults (although this may change on Jan 1, 2009).

So, what does Iteon recommend? Not bluetooth. While the Jawbone is the best on the market, it is about \$100 when on sale, but they break often—they just don't stand up to being in a pocket.

If your car has a good speakerphone setup (optional on BMW 7 series, Mercedes S series, and many other cars), those tend to be good options. If not, we'd recommend getting a good \*wired\* earpiece. They don't look cool, but generally they work much better than bluetooth.

### WiFi and Cell Phones on Planes

In 1998, there were a few cell phones (analog) that caused some minor but real static in cockpits with older wiring. Also, AT&T and t-Mobile (GSM) phones can cause clicking on wiring that isn't insulated. The airline industry, with the help of the FAA, managed to change \$2-\$10/minute for the phones that were installed in the backs of airplane seats while banning cell phone use on planes. They never made enough to cover their costs, and now the phones are dead.

With this threat averted and lives saved (note heavy sarcasm), the FAA has now cleared the way to offer WiFi and cellular service in planes.



A few foreign airlines are already offering WiFi (albeit with a slower connection, and filtered--no Skype), and many cellular phone restrictions are slowly being lifted. Many airlines have pilot plans in place, and will be offering both phone and internet access in late 2008 or early 2009. Look to the smaller more agile airlines (JetBlue, Virgin) to have the first WiFi.

The other issue will be power. While the airlines can pretty easily offer WiFi on the planes that bounces to a satellite for Internet connectivity (similar but more expensive technology for cellular phones), the harder issue will be power. It will be very expensive to retrofit planes to provide electrical for every seat. American has started this process, and others will likely follow suit, but it may take time.

### New RIAA Regulations

After consulting with their legal staff in a closed door meeting, the RIAA executive committee has resolved to reduce piracy by enacting a new regulation. This regulation requires that all new music from all major artists and labels be sold only on 8-Track tape. Through a spokesperson, the committee stated, "This is one of the few technologies that has not had piracy issues. 8-Track is the only choice we have left."



Last week, the MPAA decided to not support the recent technology moves to BluRay, and now recommends that their members use Beta-Max technology. The MPAA spokesperson stated, "Jack Valente said it best--'Beta should have won,' and we're just righting a wrong."

Steve Walker  
[swalker@iteontech.com](mailto:swalker@iteontech.com)  
510.289.3226

Sejo Jahic  
[sejo@iteontech.com](mailto:sejo@iteontech.com)  
415.203.9213

## International Travel

Try these sites for comparing flights to or from Europe, and other int'l destinations:

[www.kayak.com](http://www.kayak.com)  
[www.cheaptickets.com](http://www.cheaptickets.com)

The US has lifted a regulation that limited who could land in US airspace. Some smaller newer airlines are now starting to fly to the US. Look for international fares to drop over the next year (relative to overall fares) as competition increases on international flights. This will likely also put pressure on less efficiently managed US carriers. There will likely be consolidations and bankruptcies as a result of this additional competition from the better run, newer European airlines.

Try VRBO.com (vacation rentals by owner). The rooms are often as nice or nicer than the nicest hotels, have pictures so you can see what you are getting, are inexpensive, and have kitchens, living rooms and the usual amenities you'd find in a normal home. It takes little legwork (usually just a call, and a deposit), and you don't have to deal with all of the usual irritation at a hotel. Most of the proprietors are experienced and easy to deal with, if you use a little common sense.

## Space Tourism

What do you get, how much, how soon, who's offering it?

The ultimate space experience being offered is a Lunar orbit, which costs about \$100 Million dollars. Although the technology is there, the first trips likely won't be occurring for 1-3 years--and they'll be run by the Russians, likely with some sales and marketing help from a few of their Capitalist (American) friends.

Perhaps a better value is something that is already happening--heading up to the Space Station for a week for only a cool \$25M. A Microsoft executive was among the first to join the Russian Space agency cosmonauts, and, much to the chagrin of the American space program, the Russians seem poised to use their Space station time to earn some money. The only disadvantage is that (if you live in Woodside) you might not be the first on your block to do it.



But don't fret. For mere millionaires, there are options, too. For \$200k, you can purchase a seat with Virgin Galactic (Richard Branson's space company). This will bring you up to about 65 miles from earth (vs. about 6 miles in a 747). At this point, the effects of gravity are close to zero (weightlessness), and space is not obscured by the atmosphere. At the same time, it is still at the edge of the atmosphere, which means that there is no worrisome re-

entry. The only disadvantage of the Virgin offering is that the weightlessness only lasts about 7 minutes. While part of the fun is definitely the rides up and down, it is a bit shorter than the \$25M option. Branson has said that trips would begin this year, but it might be safer to bank on 2009.

## Where to RIP CDs

A lot of us have lots of CDs. They are our favorite music, and while we are grudgingly being pulled into the digital age, we are not likely to go back and download thousands of dollars worth of music we already own, nor are we likely to spend days (weeks) ripping the CDs ourselves.

There is the solution. There are a few companies that will rip your CDs for you. You can rip some or all, and the prices are quite reasonable. Both will find the correct song/album information (metadata).

ReadyToPlay is based in Palo Alto, and charge \$1.30 per CD. [www.readytoplay.com](http://www.readytoplay.com) ReadyToPlay will burn straight to your hard drive (that you can buy next door at the Palo Alto Fry's), and can customize based on your needs (like using all high quality conversions, etc.). Extremely convenient, and really easy to work with.

MusicShifter is done by mail, and costs \$1.00 per CD, plus shipping. [www.musicshifter.com](http://www.musicshifter.com) Music Shifter has a 25 CD free trial--you send away your CDs, and you get back MP3s on DVDs that you can copy straight to a hard drive or to your computer.

## Price Watch

Hardware prices are falling as Intel and the other component manufacturers start gearing up to high levels of production on their current generation of products (faster dual- and quad-core processors, faster RAM, SATA hard drives). This means that Dell and other computer makers are producing very fast computers, and prices are falling.

Expect laptop prices to bottom out in early August, and stay low until November, then we'll likely see a small upward bump in prices, followed by some slightly lower prices at the holidays. PCs and other tech gear will likely follow a similar pattern.

Server prices are falling, but volatile. Look for deals for 2-3 more months, before they start rising again.

Expect gadget prices to stay at current levels for the next 12-16 weeks even as the products get bigger and faster; then expect new product introductions before the holidays.

## Iteon News

As always, thanks for all of your recent references. Things at Iteon are very good. Some of you will likely be seeing our newest additions, Chris Niggel and Tomar Maoz. I'm sure you'll like them as much as we do.