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Massive Adoption of WiMAX in the US Still Faces Many Hurdles

Maravedis releases its 1st edition of "Opportunities and Challenges for Broadband Wireless and WiMAX in the USA"

MONTREAL, Canada, and MIAMI, Florida, January 22, 2008 – Leading telecom market research and analysis firm Maravedis (www.maravedis-bwa.com) today launched the First Edition of "Opportunities and Challenges for Broadband Wireless and WiMAX in the USA." This report offers a comprehensive review of opportunities and challenges for BWA/WiMAX in the US and reveals important trends for the industry.

According to this report, both licensed and unlicensed Wireless Internet Service Providers (WISPs) benefit the most from the short term opportunities with BWA/WiMAX. This will not generate massive adoption but will contribute to building credibility of the WiMAX business case. For WISPs, a fixed and/or portable application with strong service models, integrated back-office technologies, and value-added services is a powerful enough proposition to go to market. The "tipping point" for greater WiMAX adoption will likely be in 2009–2010.

"The conventional wisdom is that there are only two operators in the US with a mobile BWA/WiMAX opportunity, namely, Sprint-Nextel and Clearwire," said Tim Sanders, co-author of the report. "In terms of mobile BWA/WiMAX, they clearly have the best opportunity. However, our research indicates there is more opportunities for other service providers in both fixed/portable and mobile broadband wireless than previously thought."

On the other hand, 802.16e-2005, commonly called "mobile WiMAX," faces many hurdles. With LTE gaining momentum among US mobile operators, Sprint-Nextel, as the leading proponent of WiMAX, must send a clear signal to the market about its mobile WiMAX development plans.

"Sprint-Nextel does not have sufficient leverage to build a nationwide WiMAX network without additional external funding. One first scenario is a spinoff of its WiMAX unit while retaining ownership of the spectrum. The second scenario is for Sprint to execute a slower build-out than previously announced, along with a more modest CAPEX investment," said Adlane Fellah, CEO of Maravedis and a contributor to the report. "A third or complementary scenario is to use only part of the spectrum for WiMAX, leaving room for LTE," said Robert Syputa, Senior Analyst at Maravedis. In all cases, Sprint-Nextel and Clearwire have greater motivation than ever to renew their partnership.

Partnerships are now a common and often repeated theme for many operators and spectrum holders. The industry is looking at ways to leverage spectrum assets to build out networks and deliver services to customers as fast as possible.

"The current regulatory environment in the US, along with important participation from the industry and standards groups, provides a strong pro-BWA framework, but mobile broadband applications and business models are still immature and not well understood," said Sanders.

Shifts in user awareness and increased demands for open access to wireless broadband create an overall favorable market-driven environment for rollout of BWA/WiMAX networks. The success of the iPhone and increased bandwidth demands on data networks, including wireless networks, bode well for overall success of BWA/WiMAX deployments.

KEY FINDINGS INCLUDE:

- There were over 5000 licenses in the combined BWA frequency bands (BRS, EBS, WCS, and AWS) in the US at end of 2007.
- WiMAX and non-cellular BWA technologies present opportunities for smaller and regional companies as well as their investors.

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Telecom Market Research & Analysis

- Non-Sprint-Nextel WiMAX subscribers will grow from a half-million at the end of 2007 to over 10 million by 2013.
- LTE will be the dominant mobile broadband technology in 2012, with trials starting in 2010.
- Opportunities for WiMAX in the 700 MHz bands are real, but will not start materializing until at least 2010.
- Service providers are seeking to differentiate into niches. A particular emphasis upon business-to-business and government services for the next three years is expected.
- The development of a proper device ecosystem and application platforms for mobile broadband applications is still a challenge for both LTE and WiMAX.

"Opportunities and Challenges for Broadband Wireless and WiMAX in the USA" is a must read for companies wanting to enter the US marketplace. It provides a roadmap that will help the reader maneuver around obstacles and find the real opportunities. A free table of contents and executive summary can be downloaded at <http://www.maravedis-bwa.com/wimax.asp>.

ABOUT MARAVEDIS

Maravedis is a leading research and analysis firm focusing on BWA technologies including WiMAX, LTE, 802.20 and Ultra Mobile Broadband, and Wireless Local Loop. Maravedis works with service providers, vendors, regulators, and investors to produce a sound market analysis based on hard primary data and an in-depth understanding of technology, market, and regulatory trends. Learn more at www.maravedis-bwa.com.

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