



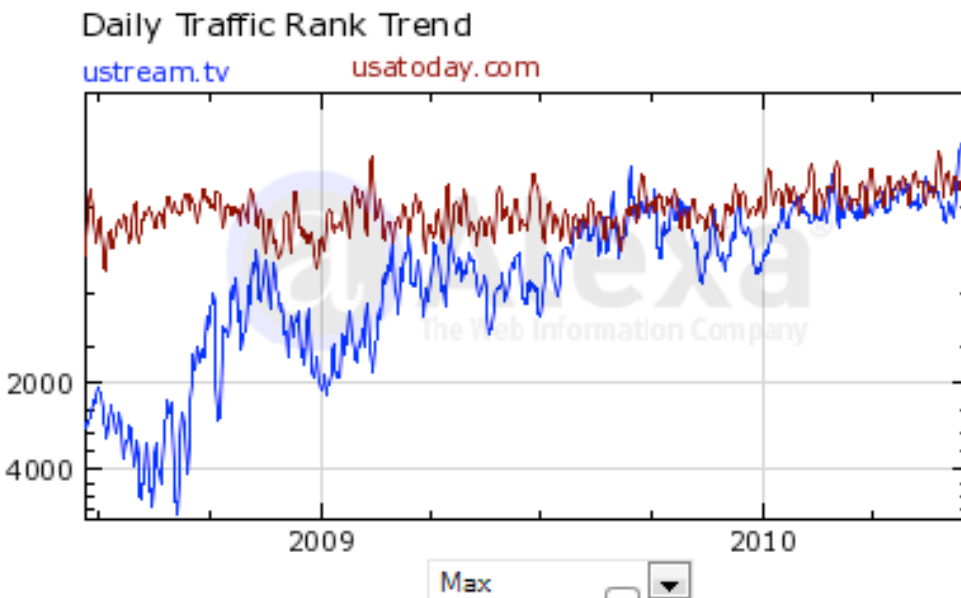
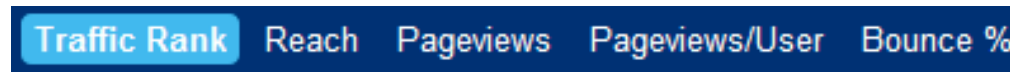
By Rich Tehrani

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Vantrix CMO Gives Thoughts on Wireless Data Caps

I have mentioned [before](#) that even if you feel your data usage will never exceed 2GB, you are likely underestimating your broadband needs of the next few years. This is without a doubt the case as you start to stream video from your device on a more regular basis. If you look at the evolution of social sharing, it began with words, migrated to photos then videos and now streaming. Even though we are at the very very early moments of the live video streaming revolution, one of the companies in the market - [Ustream](#) already has a website ranking in the top 450 in the world according to [Alexa](#) (lower numbers are better and sites like Google, Yahoo, Facebook and Twitter occupy some of the top spots).

To give you an idea of how popular the site is, check out how it ranks compared to USA Today and how it has grown in rank over the past years. Keep in mind it is exponentially more difficult to rank higher as you get closer to the number one spot.



Since AT&T moved to [change](#) its data plans with an eye towards eliminating unlimited wireless broadband - I decided to get some thoughts on the matter from Vantrix CMO, Patrick Lopez (pictured). Vantrix provides video optimization and delivery solutions to carriers that help them conserve bandwidth while delivering a high quality end-user experience. The following is our interview.



In your opinion, is 2GB per month enough for the average smartphone user?

It all depends on what the smartphone user is doing on their device. When you think that 2GB is in average 3 hours worth of video for a smartphone, perhaps a light user can find 2GB appropriate. The problem rises for laptop users who are either using their smartphone for tethering or using dongles or iPad. Because the laptop and iPad have a bigger screen, the video transmitted needs to be of higher quality, so these 2GB become roughly equivalent to 1.5 hours of video per month. The majority of users will hit the 2GB cap in the first 2 or 3 weeks of their subscription.

What about the many subscribers that stream video and music to their device - how quickly can they burn through a capped plan?

It all depends on what they are watching. A 30 minute TV episode is 200 to 600 MBs, a full-length movie is 1GB to 3GB and a 5 minute YouTube™ video is 10 - 80 MBs, so if the user is streaming a few YouTube videos and watches a full length movie a month they will be over the cap.

Do you think all carriers will cap data usage at some point?

With the announcement of AT&T capping usage last week, we already see other carriers in other countries announcing similar plans. I believe that they will all follow suit - they certainly do not have a choice. As more and more consumers are accessing over the top video, carrier's costs increase dramatically, while their revenue remains stagnate.

AT&T's move underscores a bigger issue facing many carriers and that is the strain on network bandwidth. How critical a problem is this and what are the options for operators who are struggling to meet subscriber demand and keep a handle on costs?

This is probably the largest problem carriers have faced in terms of management and introduction of new service and technology. Just look at the number of Smartphones and iPads that have sold in the last quarter - it is quite staggering. According to Cisco the dramatic expansion of video traffic is the driving force behind global Internet traffic. By 2014, Cisco predicts that video will represent 66% of ALL consumer Internet traffic. With the current and projected usage, the operator networks will not be able to handle the demand.

One of the best ways to help the subscriber and the carrier is through mobile video optimization - this is where Vantrix comes in. Vantrix Bandwidth Optimizer compresses and optimizes all video content and delivers it in real-time to the recipient while maintaining the quality of experience.

This is good for operators because Vantrix Bandwidth Optimizer removes the congestion on the networks thus enabling more data to be sent. Furthermore it also potentially delays investment in network infrastructure expansion - thereby helping to reduce CAPEX and OPEX.

Why is AT&T putting the onus of its clogged network on its users? Is forcing their subscribers to measure data usage the right move considering the complaints regarding dropped calls and reports of spotty 3G coverage?

This is a controversial issue. I believe that the industry is facing a challenge that will require drastic adjustment if it wants to remain profitable. The main issue is about educating the customer and finding a measurement that is easy to understand and allows the carriers to charge a fair and profitable fee for the usage of their network. I don't think users understand what 2GB is and why, when it comes to video, it could mean 3 hours for a smartphone or 1 hour for an iPad. What we could see as a result is strange.

Finally, what are your expectations for 4G?

4G is not going to solve the problem. By the time 4G is deployed commercially with mass market penetration of 4G handsets and dongles, it is predicted that the capacity will be already sold out. 4G is a means to keep in pace with the issue, not to solve it. I think that operators will need to deploy a variety of mechanisms to solve the issue, including video optimization, network sharing, offload, spectrum and capacity increase.