

The WiMAX Wave Picks Up Speed BY Tobin Smith, April 2004

One transformational change that has been idling for years is now starting to reach critical mass.

The turning point for WiMAX-the broadband fixed wireless (also known as 802.16) answer for lastmile broadband connectivity without fiber, cable or copper lines-came in the fourth quarter of 2003 with the release of a new version of an industry-uniting technology standard.

An increasing number of equipment companies, including Siemens Mobile, are now laying down service expansion roadmaps. Siemens will work with Intel on base stations and on future mobile devices incorporating WiMAX. Intel, as usual, dominates the agenda and will give WiMAX the same brand-boosting push they did with Wi-Fi and their Centrino chips.

According to Intel, broadband wireless will bring the next 5 BILLION users to the Internet. Sean Maloney, general manager of Intel's Communications Group and WiMAX chief ambassador says that the cost effectiveness of 802.16 wireless networking means that "WiMAX-certified systems will provide the building blocks truly to usher in the broadband wireless revolution."

"We see a three-phased deployment of 802.16 technology that will begin with fixed outdoor antenna installations, quickly bringing wireless to emerging markets and speeding the installation of broadband services without the need to lay wire or cable," Maloney said. "The technology will then rapidly progress to indoor antenna installations, broadening its appeal to carriers seeking simplified installation at user sites. Finally, in the third phase, WiMAX certified hardware will be available in portable solutions for users who want to roam within or between service areas."

At this stage, Intel will have WiMAX Centrino style chipsets for handsets that connect directly to the antenna, but for the coming 18 months it will focus its marketing activities on infrastructure rather than client systems-though increasingly, its R&D will be working on the WiMAX portable.

It seems everyone wants to ride the WiMAX wave. Last summer, Intel announced it would make WiMax chips for an obscure Israeli communications company. As a result, this small company's revenues rose 77% in the quarter just announced last week -- and gross margins increased for the ninth consecutive quarter to 42.4%. Which means this tiny company that no one ever heard of will be as powerful as Cisco and Qualcomm.

Providers in the United Kingdom, Spain, Mexico, Brazil and India are all planning or "seriously considering" WiMAX trials, according to Intel, which has taken a strong role itself in evangelizing WiMAX to operators and governments worldwide. The U.K.'s BT, one of the largest telcoms so far to take a public interest in WiMAX, is expected to roll out trials in rural areas in the near future.