

Sprint unveils new technology that promises faster speeds

October 31 2013, by Mark Davis

Sprint Corp. says it is speeding up its wireless network with "groundbreaking advances" in smartphone technology that ultimately will reach speeds that could match the ultra-high-speed Google Fiber service.

The Overland Park, Kan.-based company on Wednesday announced a new service called Sprint Spark as its next volley in the cellphone wars with Verizon Wireless, AT&T and T-Mobile. It will download applications, photos and videos more than 10 times faster than Sprint's current fastest service, which it is still building.

"If they can reliably deliver that speed, they're going to have a huge advantage over their competition," said Dave Scott, a partner in Kansas City-based Avid Communications LLC, which provides Internet and phone services to businesses.

Sprint also reported its first quarterly profit since 2007 on Wednesday even as it continued to lose subscribers. The profit came from a \$1.4 billion gain triggered by Sprint's purchase of its wireless network partner Clearwire Corp. in July.

Dan Hesse, Sprint's chief executive, hinted at "groundbreaking advances in network and device technologies" during a conference call with analysts after the earnings report.

Sprint demonstrated Sprint Spark at the company's technology center in

Burlingame, Calif. Only limited parts of five cities - New York; Los Angeles; Chicago; Tampa, Fla.; and Miami - have access to the service so far. And phones that can reach it won't hit stores until Nov. 8.

Sprint Spark will expand in those five markets and reach others over the next three years. Sprint said it will cover 100 million potential customers by the end of next year.

As for Google Fiber-like speeds, Sprint's holding that promise out in the not-yet-foreseeable future. Wednesday's demonstration showed that the Sprint Spark setup can match the 1 gigabit of data per second that Google Fiber promotes. And the speed comes without the fiber cable that Google is bringing to Kansas City-area homes.

Sprint Spark's current speed limit as it rolls out in limited markets is more like a highway speed, at 50 to 60 megabits of data per second.

That is fast enough to download a high-definition episode of "The Big Bang Theory" in one minute, said Joe Mandacina, a Sprint vice president of corporate communications. Sprint's fastest service now needs 13 minutes, he said.

"That's an impressive claim," said wireless engineer Pat Schwinghammer, an industry consultant who previously worked for Sprint. "Are they going to be delivering the coverage to deliver that (speed) over a wide area?"

Sprint says it will reach those speeds, and faster, thanks to its recent acquisition of Clearwire and Sprint's own hook-up this summer with Tokyo-based SoftBank Corp., which now owns 80 percent of Sprint.

Clearwire and SoftBank both were working with a different version of Long Term Evolution technology, or LTE, than Sprint, Verizon or

AT&T. Mandacina said it can handle cell phone data traffic at much faster speeds and used a freeway example to explain.

Regular LTE is like a highway with lanes running one direction to allow cell phone users to download to their phones and other lanes to upload to the Internet. This other version of LTE essentially can switch the direction of lanes depending on which way traffic is trying to go.

It means lanes don't have to sit empty if the traffic is building up in one direction.

Other carriers are working on faster speeds, too, said Donna Jaegers, a telecommunications analyst with D.A. Davidson & Co. She cited a recent report of 70- to 80-megabit download speeds from tests Verizon is doing in New York.

Sprint also will need to push its Sprint Spark technology into more and more phones.

"Since they're using this unique technology, when does it come to the iPhone?" Jaegers said.

Sprint said three models equipped to handle Sprint Spark will go on sale Nov. 8 from handset makers LG and Samsung. An HTC version is on the way as well.

The faster service is part of Sprint's Network Vision upgrade that is boosting its voice service and providing LTE data speeds as it advances.

Sprint is behind other carriers in rolling out LTE. For example, it expects to reach 200 million potential customers with LTE by the end of this year. T-Mobile already reaches that many, Verizon has completed its LTE network, and AT&T is nearing completion.

Sprint Spark is an effort to leap over the rivals' offerings. The network upgrade also includes high-definition voice service, which Sprint said currently covers 85 million potential customers. HD voice eliminates background noise on calls, Sprint said.

The company is searching for an advantage against its rivals as subscribers walk away.

Sprint's financial report Wednesday said it lost 313,000 subscribers in the third quarter, leaving it with nearly 54.9 million at the end of September. The new total includes customers it gained from buying Clearwire.

Sprint lost 2 million subscribers in the second quarter.

The report also showed a \$383 million profit during July, August and September, compared with a loss of \$767 million a year earlier.

Sprint last posted a net profit during the third quarter of 2007, when it earned \$64 million.

Revenues in the recent quarter totaled \$8.7 billion.

Sprint's recent profit reflected the \$1.4 billion gain from its Clearwire deal.

Sprint already owned a bit more than half of Clearwire and outbid rival Dish Network Corp. for the rest. The bidding pushed up the value of Clearwire to more than Sprint had counted on its books for the half it already owned. It reported the increase as an investment gain, which counted as profits for the quarter.

Sprint shares dropped more than 2 percent in trading after its earnings

report but jumped following the Sprint Spark news. Shares finished the day at \$6.93, up 25 cents or 3.7 percent.

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