

1SRC Podcast Transcript for Show 210

Hello everyone and welcome to the 1SRC Podcast, I'm your host Alan Grassia, and this is show 210 for Tuesday, May 5, 2009. It is good to have you here.

We had some interesting Palm rumors crop up over the weekend that had definitely piqued my curiosity and I'm willing to bet your too. In short succession we learned of rumors that Palm is working on a new webOS smartphone due out later this year, possible pricing on Sprint's edition of the Pre, and that the Foleo Fanatics who are still out there, lurking quietly, hoping that one of the pre-production units would go on sale on eBay may yet be able to carry the netbook that we've been waiting for. We'll get to all of that in just a few minutes.

You all know that I take this show seriously and I make every effort to make sure that the information I bring you each week is as accurate as possible. You'll recall last week that I was complaining that I was having trouble getting the Sprint Treo Pro demo unit that I've been playing around with working with Pocket Outlook and Gmail. As it turns out, the Treo was working 100% correctly. The problem with Gmail was completely my fault. I had changed my email password and I didn't change the stored password on the Treo. So if you could just sit tight for a minute while I wipe all of this egg off my face.

Now that we've gotten all of that out of the way, let's grab a can of Diet Coke, and let's cover this week's Palm news.

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At the top of the show I said that there where a few rumors that surfaced on the Internet this past weekend and I wanted to cover them in order of relevance.

Sprint Palm Pre Pricing

<http://www.boygeniusreport.com/2009/05/03/best-buy-to-trial-launch-palm-pre-on-june-7th/>

The first is a report from BoyGeniusReport.com which is claiming that they have received word that Best Buy could have a limited quantity, about 4,500, of Pre units for sale, shipped directly from Sprint's warehouses, and on shelves at locations as early as June 7, which I don't have to tell you is just over the one month from now line. Those middle of May-ish Pre launch rumors are starting to look really good now, don't they?

Here is the really interesting thing, according to the BGR operative, the pricing for the Pre still hasn't been finalized. Without anything written in stone yet, the BGR report suggests that the pricing for the Pre could be \$199.99 for a new 2-year contract. Existing Sprint customers will need to fork over \$299.99 for the privilege to upgrade. If you want to buy the Pre outright, without a contract extension, you better be sitting down for this, the Pre is rumored to cost a cool \$999.99. Ya, the Pre is rumored to cost an unbelievable thousand dollars. Even Apple's iPhone isn't going for that kind of money on eBay. Personally, I'm OK with the \$200 and \$300 price points. They are right in line with the iPhone on AT&T, Verizon's BlackBerry Storm, and even the HTC Touch Pro which is currently available on Sprint. But a grand for the Pre? Guys, despite how cool it looks and how incredibly easy Palm webOS is suppose to be to develop application on, at the end of the day, it's just a phone! I guess, for me personally, I'm enjoying being out of contract on Sprint a little too much. All things considered, \$300 isn't a bad price. It is the same price of the Palm TX so \$300 of a great PDA and phone isn't too bad. I'd like to hear what you think of the new rumored pricing for the Pre. Just drop us a note in this week's show notes.

Rumor: Make Way for the Palm Eos Smartphone

AT&T Palm Eos Smartphone

<http://www.phonenews.com/palm-centro-successor-eos-is-real-7739/>

Sprint Palm Eos Smartphone

<http://www.phonenews.com/palm-eos-coming-to-sprint-after-pre-launch-7742/>

So if there hasn't been enough buzz of late about the Palm Pre, get ready for the next tidal wave of new hardware rumors. PhoneNews.com reported this past Friday that they have independently confirmed the existence of the smartphone that will replace the Centro in Palm's product line up. This new device goes by the codename of Castle or Eos. I'm guessing that neither of those are the production name of the unit.

I'm sure by now that a lot of you have already seen the Engadget photo of the Eos, but in case you haven't, think of it this way: Part iPhone, part Pre, and part BlackBerry. In other words, think about the Treo Pro, and remove all of the buttons that have been placed around the center button and you have the Eos. PhoneNews is also claiming that they have the specs for the device, which include:

- GSM, HSDPA 850 / 1900 quad band radio
- 2.63-inch 320 x 400 touchscreen display,
- 4GB of internal storage (presumably non-expandable)
- 2 MP camera with flash
- video capture
- Bluetooth 2.1 with stereo audio support
- micro USB port
- removable battery with 4 hours of 3G talk time
- Messaging, integrated IM client, contacts, sync with AT&T Address Book, MediaNet, Cellular Video, Email, and A-GPS support

In terms of timing, PhoneNews is reporting that Eos will be ready for a year-end, 2009 launch just in time for the holiday shopping season.

Ready for the Jeopardy Daily Double? Shortly after reporting the existence of the Eos for AT&T, PhoneNews also reported that the Eos is also headed for Sprint. The only difference between the AT&T edition and the Sprint edition on the hardware side will be the radio technology. The Sprint edition of the Eos will be an EVDO Rev A phone naturally. On the software side, it is safe to assume that the AT&T specific software will be replaced by their similarly featured Sprint counterparts.

Now is that was the Daily Double, then this is the Double Jeopardy round. I really like the Engadget photo of the Eos. I like the Eos more than the Pre. The only thing that I like better about the Pre, with the information that we have on hand anyway, is that the Pre will have 8GB of non-expandable memory vs. 4GB of storage space. Now the reason I'm saying this is that I'm not a big fan of flippers or sliders. I've lived through the Tungsten T, T2, T3, and the Sony Clie NZ-90 and I don't want to go back to flipping, sliding, folding, transforming devices. I really like the Treo form factor, specifically, the Treo Pro design.

Of course, there is another problem here, which is: Can I realistically wait until Q1 or Q2 2010 for the Eos to finally launch on Sprint? I think it is safe to assume that if AT&T is launching the Eos at the end of the year, then it will be an exclusive launch and Sprint will have to wait its turn for the Eos, especially after they got the Pre exclusive. And we should also be clear, when I say things like "Can I realistically wait", I'm talking about the time before I succumb to new gadget OCD and have to go out and get one, well, just because.

I'd hate to go out and buy a Pre in the next month or two and then start talking about getting a Eos in March of 2010. That would be terrible. I guess for me, the rubber will really meet the road once we get a few months down stream from the Pre launch and we start hearing about the acceptability of the slider and how durable the design really is.

So that is the latest rumor on Palm's new smartphone hardware. I'll have a link to PhoneNews.com in the show notes.

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Will the Foleo Be Relunched as a Palm webOS Netbook?

I have a soft spot for this next topic. Eric Savitz over at Barron's Tech Trader Daily posted a comment on The Wall St. Journal blog site mentioning a report written by a Global Equities Research analyst that Palm is in fact working on reformulating the Foleo into a new device as promised by Palm CEO Ed Colligan almost a year ago to the day.

Let me set the stage for a minute here. Back in late May, 2007, Palm unveiled the Palm Foleo mobile companion. Not exactly a netbook, the Foleo would connect to a Palm OS or Windows Mobile Treo to access the phones data and allow you to work on hardware that had a full size keyboard and much larger display. Unlike today's netbooks that run Windows or Linux, the Foleo would run a custom version of Linux referred to as Holly. The Foleo became a lightning rod in the media and on Palm enthusiast discussion boards quite literally, over night. People either loved it or hated it. Also keep in mind that Palm was talking about the Foleo before the Asus Eee PC started shipping.

Fast forward to late August 2007, and contradicting rumors are flying around the Internet that Foleo has been delayed and that it is still on target for an end of summer launch, which ultimately comes to a screeching halt when Colligan posts an open letter on the Palm company blog on September 4, stating that he was pulling the plug on the Foleo.

Colligan wrote:

"As many of you are aware, we are in the process of building our next generation software platform. We are very excited about how this is coming together. It has a modern flexible UI, instant performance, and an incredibly simple and elegant

development environment. We are working hard on this platform and on the first smartphone that will take advantage of it.

In the course of the past several months, it has become clear that the right path for Palm is to offer a single, consistent user experience around this new platform design and a single focus for our platform development efforts. To that end, and after careful deliberation, I have decided to cancel the Foleo mobile companion product in its current configuration and focus all of our energies on delivering out next generation platform and the first smartphones that will bring this platform to market. We will, of course, continue to develop products in partnership with Microsoft on the Windows Mobile platform, but from our internal platform development perspective, we will focus on only one."

Mr. Colligan continues with:

"Jeff Hawkins and I still believe that the market category defined by Foleo has enormous potential. When we do Foleo II it will be based on our new platform, and we think it will deliver on the promise of this new category. We're not going to speculate now on timing for a next Foleo, we just know we need to get our core platform and smartphones done first.

I would like to thank our customers for their interest in Foleo. I know there will be disappointed folks who were looking forward to carrying a Foleo for all their mobile computing needs. I am certainly one of them."

Then on May 28, 2008, 10 months after Mr. Colligan's open letter, APC Magazine publishes an article in which they talk with Colligan about webOS, then referred to as "Palm OS II" by many. In that interview, Colligan once again mentions the possibility of a Foleo II. The following is an excerpt from APC's article. It reads:

“Not all of those [Palm OS 2.0] devices will be smartphones. While Colligan axed the much-maligned Foleo ‘mobile companion’ notebook, he admits the concept (if not the brand) could make a comeback.

“I still believe the idea will be vindicated some day. But the core decision behind that product cancellation was really driven by that we were developing this whole new operating system that is going to bring a new user experience, (but the Foleo) had been started under a different design centre, a different thought process and a different set of system software. I really want there to be one Palm user experience, and so we’ll come back around to that idea when we’re done delivering that experience”.

Last week, on May 1, 2009, the Global Equities Research notice is released, which states:

“Trip Chowdhry, an analyst with Global Equities Research, asserts in a note to clients today (via Tech Trader Daily) that Palm intends to produce a \$399 netbook that will run WebOS. The speculation is not without precedent as Palm has stated on numerous occasions that the WebOS will power a family of products and has said in the past that a Foleo followup is not out of the question.

Chowdhry is saying that the device will basically be a revised version of the Foleo and will be powered by an ARM chipset and will use a Gobi 3G wireless chip from Qualcomm for an estimated 8-10 hour battery life. He says the project is being designed by three ex-Apple iPod guys."

So is Palm really working on a new Foleo-like device? When you look back at the chain of events, it seems that history is poised to repeat itself. Either webOS is going to make the new hardware what the Foleo should have been the first time or it will become an albatross around Palm’s neck. Obviously, I’m looking forward to having a Palm netbook under my arm. Oh, and Palm, you guys can send one of these pre-release Foleo units you have over their over here. Seriously.

And just so you know that I'm not completely off my rocker and some kind of Foleo Fanatic, James Kindrick, the skipper over JKOnTheRun.com has a new editorial posted called "Palm Should Revive the Foleo as a Netbook."

Mr. Kindrick, on his blog writes:

"Lots of companies are currently working on Google Android netbooks and there have been whispers of how great a WebOS-based netbook could be, even though not a single device with that OS is actually shipping yet. This obsession with netbooks and how to make a great one has me thinking that there's no reason Palm couldn't produce one, and right now.

Just hear me out. A netbook that is designed from the ground up to be a cloud machine could be easily produced using high-end PDA components. The main requirements would be a decent processor, very long battery life and an easy-to-use OS. Enter Palm."

Maybe we're both crazy. Or maybe not.

I think that this is a really cool idea. I've been using a Dell Mini 9 since late November (2008) and I have mixed feeling about it. Yes, it is light and super portable. I liked the Foleo's exterior finishing better than the glossy lid on Dell's netbooks. I also like the fact that I can run Windows XP on the Dell netbook, but with only about 2.5 hours of battery life, I'm not going too far without my AC adapter. (I often can't go to a full morning's or afternoon's worth of meetings without having to break out the charger. Ugh!) There are only a handful of applications that I use my Dell Mini 9 for: note taking and word processing in Microsoft Word 2003; checking my email in Microsoft Outlook 2003 (I do have access to corporate email via a web mail portal but I prefer Outlook or my BlackBerry); calendaring; and web surfing with FireFox or Internet Explorer.

Now, here comes Palm with a "Foleo re-mix" taking the best concepts of the Foleo and combining it with the flexibility of Palm's new webOS platform, and you can have an ultra-portable device that can easily provide the kinds of features I'm looking for (word processing, email, calendaring, and web browsing) in a device that can run at least 8 hours with the screen set to a reasonable brightness level with Wi-Fi enabled. That would be a perfect device for me.

You can bet I'll be keeping a close eye on this rumor as we continue to move through the rest of the year.

I'll have a link to both the Barron's post and JKOnTheRun in this week's show notes.

Barron's

<http://blogs.barrons.com/techtraderdaily/2009/05/01/palm-will-foleo-be-revived-as-a-netbook/>

JKOnTheRun

<http://jkontherun.com/2009/04/23/palm-netbook/>

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Alright, I think that will do it for this edition of the 1SRC Podcast. I want to thank everyone for spending some time with us this week.

From all of us here at 1SRC, I'm your host Alan Grassia, until next week, thanks for listening.