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Sprint ditches 4G model of RIM PlayBook

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NEW YORK (Reuters) - Sprint Nextel Corp has scrapped plans to sell a high-speed version of Research In Motion Ltd's PlayBook tablet because of slack demand, delivering another blow to BlackBerry phone maker.

Eight months after being announced as the first operator to partner with RIM on tablets, Sprint, the No. 3 U.S. mobile service, said on Friday it canceled a version of PlayBook for its fourth generation (4G) WiMax service.

PlayBook is struggling to compete with the hugely popular Apple Inc iPad tablet, while RIM's BlackBerry is fighting an uphill battle against Apple's iPhone.

Sprint, the No. 3 U.S. mobile service, said the cancellation of the cellular product was a "mutual decision."

But Paget Alves, Sprint's head of business services, said tablets with short-range Wi-Fi Internet connections are far more popular today than tablets for wide range networks such as WiMax.

"Right now the majority of tablets are Wi-Fi only," Alves told Reuters earlier this week. "People use tablets in fixed locations."

For its part, RIM said that, instead of WiMax, it would prioritize product development around devices running Long Term Evolution (LTE), a rival to WiMax. RIM said it is already testing LTE PlayBook models and plans to enter operator test labs in the United States and international markets this fall.

The top two U.S. wireless providers, Verizon Wireless and AT&T Inc, are building networks based on LTE. AT&T declined to comment on whether it would sell an LTE PlayBook.

Before the PlayBook's launch in April, RIM said Verizon would sell the device, but after the launch Verizon Wireless said it was reconsidering. Spokeswoman Brenda Raney said on Friday the company is still looking into the matter.

Some analysts frowned at Canada-based RIM's choice of WiMax as its initial technology because it was already well-known in January that the top two operators were embracing a rival technology.

Even Sprint, which currently depends on the WiMax network of Clearwire Corp for its high-speed offerings, is expected to announce LTE upgrade plans for its own network in October.

Sprint, which has itself been working for years to stem customer losses, still sells a Wi-Fi version of Playbook.

The idea of connecting a tablet to a cellular network such as Sprint's WiMax service would be to allow for greater mobility than Wi-Fi can provide. But operators have been criticized for charging too much for tablet data downloads.

Still Charter Equity Research analyst Ed Snyder said RIM's problem related more to PlayBook's inability to stand out beside iPad than its wireless technology deal with Sprint.

"There's two groups with tablets: Apple and everybody else. RIM's in the second group, definitely," Snyder added.

RIM's U.S. shares closed up 38 cents, or 1.6 percent, at \$24.56 on Nasdaq.

(Reporting by [Sinead Carew](#) in New York and [Alastair Sharp](#) in Toronto ; editing by [Richard Chang](#) and [Andre Grenon](#))



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