



The GAB'er

The Newsletter of the Greater Albany Apple Byters

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Steve Jobs Mentored Google Co-Founders

A new book released this week exposing the inner secrets of Google reveals that the company's founders wanted Steve Jobs to be their CEO, but settled for being his protégées.

Steven Levy's just-released tell-all on Google, entitled "In The Plex: How Google Thinks, Works and Shapes Our Lives," offers an inside look at the search giant. It also details how Apple and Google, companies that once shared a close relationship, became fierce rivals.

According to the Daily Mail, when Google co-founders Sergey Brin and Larry Page were on the hunt for a new CEO, their top choice was Apple's Jobs. When Jobs declined, Google instead found Eric Schmidt, who would become a member of Apple's board of directors.

"He (Jobs) turned down their offer, but because he saw the potential of Google he agreed to mentor Mr. Page and Mr. Brin, even sharing advisers," the report said.

Of course, the relationship between the two companies quickly went south after Google unveiled the Android mobile operating system. Jobs felt that he was betrayed by Google, and that Android simply copied the success of the iPhone.

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Coordinator's Corner

by John Buckley



When it comes to working with multiple computers and other electronic devices, one of the real problems is keeping everything organized. That is where MobileMe comes into play.

This month we will look at MobileMe and with the possibility of it becoming a free service, Mac users may want to give it another look to see if they may want to use it in the near future.



As usual, check our website for the most current GAAB information. You will find a map and aerial photograph showing how to get to the meeting location.

In addition, we will set the schedule for the remaining demonstrations and then take a look at what is now available from Apple including the new Snow Leopard tips and Apple announcements over the past month.

To find out what's happening, GAAB is the place to be. So be sure to be at our April meeting and every meeting to find out the best information about the Mac.

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Next GAAB Meeting
April 13, 2011
MobileMe
7:00 p.m.
St. Mary's Hospital,
Troy, NY

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Serving the Apple Computer User Community Since May 1984

The Greater Albany Apple Byters is an Apple Computer User Group. Meetings are held the second Wednesday of each month (except July and August) in Room 212 of Troy High School, located on Burdett Avenue, Troy, NY.

Annual membership fee is \$10.00. Membership privileges include this newsletter, access to a large public domain software and video/audio tape library, local vendor discounts, special interest groups, and other special offers.

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Apple Ambassador

by John Buckley

Trying to determine what is happening with Congress is like trying to keep track of the old Abbott and Costello routine about "Who's on first". The titles for bills and what each side is pushing for makes things very confusing. Usually the title of the Bill means just the opposite of what the words mean.

While I am against the government regulating the internet, I am also against allowing internet providers to set up different tiers of internet service allowing companies the ability to direct which websites they want you to see and not see. The following article from the New York Times appears to try to explain the situation and is something that all of us who use the Internet should be concerned about.



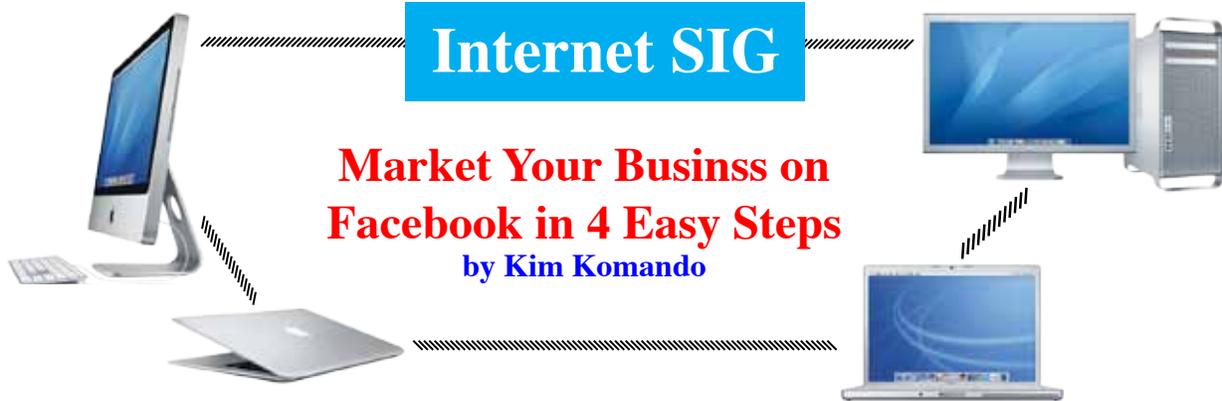
House Votes Against 'Net Neutrality' by Edward Wyatt

The House of Representatives approved a measure on Friday that would prohibit the Federal Communications Commission from regulating how Internet service providers manage their broadband networks, potentially overturning a central initiative of the F.C.C. chairman, Julius Genachowski.

The action, which is less likely to pass the Senate and which President Obama has threatened to veto, is nevertheless significant because it puts half of the legislative branch

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More than 500 million people worldwide are on Facebook. So, it is no surprise that businesses are turning to Facebook to attract new clients and customers. It's been estimated that about 50 percent of small and medium businesses use the site for grass roots marketing.

Here are some tips to get you up and going.

Create the right account type

First, you need to create the correct type of account for your business. Don't create a profile. This is intended for individuals; having more than one profile is a violation of Facebook's terms. Instead, you want to create a page.

With a page, others can follow you automatically. You don't have to worry about sharing personal information. Likewise, your fans don't expose personal information. And you get more customization options. For example, you can add polls and a special landing page for followers.

Visit Facebook's advertising section and click Pages. It will guide you through the process of creating your page. Just make sure you don't create a community page. Anyone can create and maintain a community page about a business. But when the page reaches a certain level of popularity, control is given to the public.

Customize your page

When setting up your page, select your photo carefully. Use your business' logo. Or if you're a freelancer, dentist or the like, use a personal photo. The photo should be appropriate for your business. For example, if you're a doctor, make sure you look professional.

If your business offers email newsletters, include the option to sign up on your page. You can also add polls and

contests. Use the Static FBML application to customize your page. An application is a tool that adds more features to Facebook.

A vanity URL like <http://www.facebook/kimkomando> makes it easier for people to find you. But, you'll need 25 followers before you get the option of creating one.

Once you create your page, invite your friends and clients to join. Add your page's URL to your email signature. Your employees should do the same. Put a notice up in your business. And link to your page on your business' Website.

Integrate Facebook with your site

You should also integrate Facebook into your site. For example, you can let visitors like content you've posted to your site. A link will appear in the user's News feed, potentially attracting the attention of the user's friends.

You can also include a box showing popular content. Or, show visitors what their friends like. It's a handy way to help readers navigate your site. Facebook offers a number of Social Plugins you can easily add to your site.

Update your page

Creating a Facebook page is not enough. You need to update it regularly. Deciding how often to update may be your biggest dilemma. If you update too frequently, you'll annoy your followers. Don't do it enough, and they'll forget about you. The frequency of your posts will vary based on your business.

You also want your posts to be engaging. Humorous and personal updates will keep your followers engaged. And you'll want to update followers on sales and special events. If you can offer coupon codes or create contests, do it. Above all, give people a reason to follow you. Followers should see or get something that others don't.

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Education SIG

More Pupils Are Learning Online, Fueling Debate on Quality by Trip Gabriel, New York Times

The following article from the New York Times shows how the use of technology in the classroom is changing education. The important question during this time of accountability, who is responsible for the outcomes of this process and how is it to be evaluated.

Jack London was the subject in Daterrius Hamilton's online English 3 course. In a high school classroom packed with computers, he read a brief biography of London with single-paragraph excerpts from the author's works. But the curriculum did not require him, as it had generations of English students, to wade through a tattered copy of "Call of the Wild" or "To Build a Fire."

Mr. Hamilton, who had failed English 3 in a conventional classroom and was hoping to earn credit online to graduate, was asked a question about the meaning of social Darwinism. He pasted the question into Google and read a summary of a Wikipedia entry. He copied the language, spell-checked it and e-mailed it to his teacher.

Mr. Hamilton, 18, is among the expanding ranks of students in kindergarten through Grade 12 — more than one million in the United States, by one estimate — taking online courses.

Advocates of such courses say they allow schools to offer not only makeup courses, the fastest-growing area, but also a richer menu of electives and Advanced Placement classes when there are not enough students to fill a classroom.

But critics say online education is really driven by a desire to spend less on teachers and buildings, especially as state and local budget crises force deep cuts to education. They note that there is no sound research showing that online courses at the K-12 level are comparable to face-to-face learning.

Here in Memphis, in one of the most ambitious online programs of its kind, every student must take an online course to graduate, beginning with current sophomores.

Some study online versions of courses taught in classrooms in the same building. Officials for Memphis City Schools say they want to give students skills they will need in college, where online courses are increasingly common, and in the 21st-century workplace.



But it is also true that Memphis is spending only \$164 for each student in an online course. Administrators say they have never calculated an apples-to-apples comparison for the cost of online vs. in-person education, but around the country skeptics say online courses are a stealthy way to cut corners.

"It's a cheap education, not because it benefits the students," said Karen Aronowitz, president of the teachers' union in Miami, where 7,000 high school students were assigned to study online in computer labs this year because there were not enough teachers to comply with state class-size caps.

"This is being proposed for even your youngest students," Ms. Aronowitz said. "Because it's good for the kids? No. This is all about cheap."

In Idaho, the state superintendent of education plans to push a requirement that high school students take four or more online courses, following a bill that passed the Legislature last week to provide every student with a laptop, paid for from a state fund for educators' salaries.

Chicago and New York City have introduced pilot online learning programs. In New York, Innovation Zone, or iZone, includes online makeup and Advanced Placement courses at 30 high schools, as well as personalized after-school computer drills in math and English for elementary students.



Reza Namin, superintendent of schools in Westbrook, Me., which faces a \$6.5 million budget deficit, said he could not justify continuing to pay a Chinese-language teacher for only 10 interested students. But he was able to offer Chinese online through the Virtual High School Global Consortium, a nonprofit school based in Massachusetts.

The virtual high school says its list of client schools has grown to 770, up 34 percent in two years, because of local budget cuts.

Nationwide, an estimated 1.03 million students at the K-12 level took an online course in 2007-8, up 47 percent from two years earlier, according to the Sloan Consortium, an advocacy group for online education. About 200,000 students attend online schools full time, often charter schools that appeal to home schooling families, according to another report.

The growth has come despite a cautionary review of research by the United States Department of Education in 2009. It found benefits in online courses for college students, but it concluded that few rigorous studies had been done at the K-12 level, and policy makers “lack scientific evidence of the effectiveness” of online classes.

The fastest growth has been in makeup courses for students who failed a regular class. Advocates say the courses let students who were bored or left behind learn at their own pace.

But even some proponents of online classes are dubious about makeup courses, also known as credit recovery — or, derisively, click-click credits — which high schools, especially those in high-poverty districts, use to increase graduation rates and avoid federal sanctions.

“I think many people see online courses as being a way of being able to remove a pain point, and that is, how are they going to increase their graduation rate?” said Liz Pape, president of the Virtual High School Global Consortium. If credit recovery were working, she said, the need for remedial classes in college would be declining — but the opposite is true.

In Memphis, Mr. Hamilton’s school, Sheffield High, once qualified as a “dropout factory” with a graduation rate below 60 percent.

Now the class of 2011 is on target to graduate 86 percent of its students, said Elvin Bell, the school’s “graduation coach,” an increase attributable in part to a longer school day and online credit recovery.

Sixty-one students are in the courses this semester, including Mr. Hamilton, whose average in English 3 is below passing. Melony Smith, his online teacher, said she had not immediately recognized that his answer on the Jack London assignment was copied from the Web, but she said plagiarism was a problem for many students.

Students’ strong desire to pass, she added, meant most were diligent about the work. “A lot of my students send me messages and say, ‘I really need this class to graduate, and I will do anything; please call me because I don’t understand something.’” Ms. Smith said.

The district has bought software for 54 online courses, including Algebra 1, biology and United States history, from the Florida Virtual School, a large state-run online school.

Memphis supplies its own teachers, mostly classroom teachers who supplement their incomes by contracting to work 10 hours a week with 150 students online. That is one-fourth of the time they would devote to teaching the same students face to face.

But administrators insisted that their chief motive was to enhance student learning, not save money in a year when the 108,000-student district is braced for cuts of \$100 million and hundreds of jobs.

“What the online environment does is continue to provide rich offerings and delivery systems to our students with these resource challenges,” said Irving Hamer, the deputy superintendent.

Like other education debates, this one divides along ideological lines. K-12 online learning is championed by conservative-leaning policy groups that favor broadening school choice, including Jeb Bush’s Foundation for Excellence in Education, which has called on states to provide all students with “Internet access devices” and remove bans on for-profit virtual schools.

Teachers’ unions and others say much of the push for online courses, like vouchers and charter schools, is intended to channel taxpayers’ money into the private sector.

“What they want is to substitute technology for teachers,” said Alex Molnar, professor of education policy at Arizona State University.

In Idaho, Gov. C. L. Otter and the elected superintendent of public instruction, Tom Luna, both Republicans, promoted giving students laptops and requiring online courses.

The State Legislature, pressed by critics who said the online mandate would cost teachers jobs, rejected it, but Mr. Luna



said in an interview that he would propose it this summer through the State Board of Education, which supports him.

“I have no doubt we’ll get a robust rule through them,” he said. Four online courses is “going to be the starting number.”

Online courses are part of a package of sweeping changes, including merit pay and ending tenure, which Idaho lawmakers approved, that Mr. Luna said would improve education.

“We can educate more students at a higher level with limited resources, and online technology and courses play a big part in that,” he said.

Sherri Wood, president of the Idaho Education Association, the teachers’ union, strongly disagreed. She said Mr. Luna’s 2010 re-election campaign had received more than \$50,000 in contributions from online education companies like K-12 Inc., a Virginia-based operator of online charter schools that received \$12.8 million from Idaho last year.

“It’s about getting a piece of the money that goes to public schools,” Ms. Wood said. “The big corporations want to make money off the backs of our children.”

Mr. Luna replied that political contributors had never had an inside track in winning education contracts.

Steve Wozniak Says Would Consider Return to Apple by Georgina Prodhan

Steve Wozniak would consider returning to an active role at Apple, the company he co-founded, and believes the consumer electronics giant could afford to be more open than it is, he told Reuters.

“I’d consider it, yeah,” the 60-year-old computer engineer said in an interview, when asked whether he would play a more active role if asked.

He founded Apple Computer in 1976 with Steve Jobs and Ronald Wayne, and built the Apple I and Apple II computers that helped revolutionize personal computing.

Wozniak, who was in the English seaside town of Brighton for a computer server conference and to present a software developer award, stopped working for Apple in 1987 but is still on the payroll.

Chief Executive Jobs is currently on indefinite medical leave, his third medical absence since 2004.

The visionary Apple leader had a liver transplant two years ago and surgery for a rare form of pancreatic cancer in 2005.

Apple -- whose Macintosh computers, iPod, iPhone and iPad have transformed consumer electronics -- became the world’s most valuable technology company last year, overtaking software giant Microsoft.

“There’s just an awful lot I know about Apple products and competing products that has some relevance, some meaning. They’re my own feelings, though,” said Wozniak, who is currently chief scientist of storage start-up Fusion-io.

Asked his opinion of Apple today, he said: “Unbelievable. The products, one after another, quality and hits.”

Many consumers like Apple products because they make it easy to buy and consume content without glitches,



but the closed system that makes this possible locks customers and media and software providers into Apple’s proprietary iTunes online store and iOS operating system. Some critics compare it to Microsoft in that regard.

Wozniak, a lifelong hands-on engineer, said he liked technology to be relatively open so that he could “get in there and add my own touches.”

“My thinking is that Apple could be more open and not lose sales,” said Wozniak, but added: “I’m sure they’re making the right decisions for the right reasons for Apple.”



Tech Talk Intimidates

by Laura Blackwell, PCWorld

Not using your Bluetooth-equipped handheld to schedule your TiVo? Think MP3 is a rock band? Consumers don't invest in products they don't understand--and many potential buyers find the vocabulary of PC technology bewildering, according to a new study.

If people think technology is too complex, they simply won't buy it, according to the Technology Terminology and Complexity Study released by chip maker AMD's Global Consumer Advisory Board. The survey polled 1535 respondents, 58 percent of them from the United States.

Intimidated Buyers

Concern about setup time for new PCs and tech gadgets is a major theme. Nearly half of those polled (46 percent) "don't want to buy anything that is complicated to set up," and 62 percent "wish to have things work and not spend time setting up."

Many of the respondents reported delaying their tech purchases due to the products' perceived complexity. Of this group, 44 percent strongly agree that computers are confusing to use. Thirty-nine percent of the timid buyers have the same impression about consumer electronics.

GCAB's survey differentiated the most-knowledgeable consumers from the technology novices through a vocabulary test. Most respondents defined 7 or more of the 11 terms correctly, and were deemed tech-savvy.

But even those savvy shoppers are shying away from digital cameras, PCs, and personal digital assistants; they rated items in those three categories as the most complicated tech products.

Thirty-six percent of the technologically knowledgeable buyers say they will delay purchasing a PC because of the product's complexity. Among the "least knowledgeable" according to the poll, 54 percent say they're too bewildered to buy a PC.

Roughly half of all respondents--at any degree of technological sophistication--feel the same way about buying a digital camera, the study shows. Of them, 50 percent of the knowledgeable buyers and 47 percent of the novices let their fears delay their digital camera purchases. Also, 40 percent of the tech-savvy buyers and 51 percent of the less-knowledgeable shoppers are intimidated about PDA purchases.

In contrast, just 6 percent of respondents overall say they find telephones or microwave ovens daunting.

Talking Tech

But as prospective buyers understand technical terms better, they adopt high-tech products more quickly, the study also finds.

Technology companies spend more than \$10 billion a year on advertising in the United States, notes Patrick Moorhead, AMD's vice president of consumer advocacy and GCAB chair.

"We really have to question how much of that is coming through," Moorhead says.

Only 3 percent of the respondents aced the survey's multiple-choice tech vocabulary test. Test-takers struggled with terms like "DPI," "megapixel," "megahertz," and even "Web browser." Moorhead quips, "We're asking Webster's to remove 'megahertz' from the dictionary."

Although respondents named the digital camera the most complicated tech device, they may have undersold their knowledge; "megapixel" scored in the top half for recognizability. The PDA and the home PC, tied for second in terms of perceived complexity, have clearer associations with the least-known tech terms.

Fewer than half of the respondents could identify "WAP" as "a global standard for developing applications over wireless communications networks" or "Bluetooth" as "a way to connect products to one another without using wires." Only 62 percent of respondents identified "MP3" as audio compression technology, 65 percent identified "DPI" as "a measure of resolution of printers, scanners and monitors," and 65 percent defined "megahertz" as a unit of measurement "used to compare the clock speeds of microprocessors."

Less than a third of all respondents understood "Digital Video Recorder" or "DVR" as "a box that records and plays television programs," making it the least-recognized term among all surveyed.

"There are many great information sources that can help people sort through this quagmire," Moorhead says. However, he places the burden not on the buyer but on the seller. "The industry needs to use terms that connote the benefits the products provide."



Tech Terms to Avoid

by David Pogue

In two weeks, I'll celebrate my eighth anniversary writing this column. And if I do any ruminating during my 15-second celebration, I'll recognize that one thing still hasn't changed: there's still no single technical level of writing that makes everybody happy.

I still get complaints from total newbies, who are bewildered by terms like "smartphone" and "plasma TV." And I still get bashed by the gearheads, who find the column not nearly technical enough.

I think a lot about the technical level of the column. Over the years, I've adopted a number of tricks that are designed to communicate technical points without losing the novices—and one of them is avoiding jargon.

Why tech writers use so much jargon, I don't know. Maybe it's self-aggrandizement; they want to lord their knowledge over everybody else. Maybe it's laziness; they can't be bothered to fish for a plain-English word. Maybe it's just habit; they spend all day talking shop with other nerds, so they slip into technospeak when they write for larger audiences.

In any case, I'm making available to all, for the first time, my list of pretentious pet-peeve words to avoid. I used to consider plain-English writing a competitive advantage, so I've never leaked this list to potential rivals. But at this point, forget it; any tips that might contribute to clearer writing deserve to be free.

* **Content.** As in, "Web content." Ugh. If you mean "Web pages," say "Web pages." If you mean "music," say "music." Nobody outside the tech industry says "content" when they mean "what's on your player" or "what's on your Web site."

* **Device.** You know what's weird? Cellphone companies never actually use the term "cellphone." They always use the word "device," as in the wince-inducing sentence, "The user can transfer D.R.M.-protected content to their device."

Look, I get it: these days, cellphones do more than make phone calls. But you don't need to abandon the term "cellphone" for that reason; the meaning of "cellphone" has already expanded to accommodate its new functions. If you say "cellphone," your audience already understands that it means "a gadget that makes calls, gets on the Internet and takes crummy pictures."

* **Dialog.** The term "dialog box" is already a problem, since it doesn't really identify what it is (a message box on the screen, forcing you to answer a question—like how many copies of a printout you want). But unfortunately, there's absolutely no alternative. And shortening this to "dialog" is definitely a step in the wrong direction.

* **Display.** "Display" can be a noun ("a display of fireworks"). It can also be a verb that takes a direct object ("He displayed emotion"). It is not, however, a verb without a direct object, except in magazines like PC World: "Shows filmed in high-definition end up displaying in letterbox format."

Displaying what in letterbox format? Fireworks? Emotions?

The word this writer was looking for is "appearing."

* **D.R.M.** What's so nauseating about this term is that it started out as a euphemism. It means copy protection, which most people don't like on their software, music files or videos. So with doublespeak like "digital rights management," the companies who favor copy protection think they're putting a positive spin on the concept. And by using "D.R.M." instead of "copy protection," we're playing into their sad little manipulation.

Sorry, Charlie. It's still copy protection, and we should call a spade a spade.

* **Enable.** Who on earth says, "Enable the GPS function"? Only user-manual writers and computer-book authors. Say "Turn on GPS" instead.

* **E-mail client.** Originally, someone coined "client" to distinguish your computer's e-mail program from the computer that dishes it out (the server). But when you're not explicitly trying to make that differentiation, just say "e-mail program." The only people with e-mail clients are the lawyers who represent Outlook and Gmail.

* **Functionality.** WOW, do I despise this pretentious word. Five syllables—ooh, what a knowledgeable person you must be!

It means "feature." Say "feature."



* **LCD.** What I hate about this word is that it doesn't say what it is ("the screen"). And even if you spell out what it means in parentheses, you still haven't told readers what the heck you're talking about. ("Liquid crystal display? Ohhh, so THAT'S what it means.")

* **P.D.A.** Here's another ridiculous term—ridiculous because it's not self-explanatory. "Personal digital assistant?" Give me a break. It's a palmtop.

* **Price point.** What are you, paid by the word? "Price" alone does the job.

* **URL.** This one's common, but I still can't stand it. "Uniform Resource Locator"? Oh, thank you—that helps. NOT!

I use "Web address." Same number of syllables, and crystal-clear.

* **RAM.** Here again, there's a plain-English word that does the same job without the intimidation: memory. That's a word that says what it means.

* **S.M.S.** The ultimate pointless term. "Text message" is the same number of syllables, and also says what it is. "SMS" doesn't do anyone any good—but it does baffle the non-technical.

* **Support.** I don't mean "support" as in "tech support," although even that term is a corporate creepy cop-out (it means "help line"). No, I mean the verb, as in, "The laptop supports Wi-Fi and Bluetooth."

In no other corner of modern discourse is "support" used that way. I use "has," "offers" or "works with."

* **USB.** I use this term in my writing, but only reluctantly; there simply isn't any other term that does the job. But it's a hateful term—even knowing that it stands for "Universal Serial Bus" doesn't begin to help you understand what it is. Let's have more clever, self-descriptive names for jacks, like FireWire or (for Apple's wireless) AirPort.

* **User.** There are two industries that refer to their customers as "users"—technology and illegal drugs.

When you're writing about computers, there's almost never a sentence where you couldn't substitute "you" or, worst case, "the customer" as the noun and thereby improve the sentence. Instead of saying, "The user can, at his or her option, elect to remove this functionality," say, "You can turn this feature off." It's not only clearer, but it gets you out of the awkward "his or her" bit.

* **Wi-Fi.** I use this one occasionally, but only with gritted teeth.

It's just not a good term. It doesn't say what it means. People think it stands for "wireless fidelity," but the Wi-Fi Alliance, which hired a branding firm to create it, says it doesn't stand for anything.

I use the term "wireless hot spot" when I can, but only because there's no more comprehensible alternative. ("Bluetooth" doesn't immediately convey that technology's function. But at least it's better than "Wi-Fi." Once you hear that it's named for a Danish king who brought together warring factions, you never forget its meaning.)

And there you have it: Pogue's Anti-Jargon Dictionary. You're free to use it to launch your own writing careers, with my compliments!

Program Coordinator

Continued from page 1.

The April meeting will be held at St. Mary's Hospital in the Leonard Board Room on Wednesday, April 13, 2011. The meeting will begin at 7 p.m. St. Mary's Hospital is located at 1300 Massachusetts Avenue in Troy NY.

However, the best route to take from the Northway is the following:

1. Merge onto NY-7 East from the Northway.
2. Follow Route 7 to Troy where it becomes Hoosick Street.
3. Turn left on Oakwood Avenue (10 Street/NY-40) which is the first light after the bridge and bare right.
4. Turn right on Sausse Avenue. Turn left onto Lindenwood Court. When you come to the first entrance to the hospital parking lot, turn left and park.

Internet SIG

Continued from page 3.

You'll also want to use the photo section of the site to share products photos. You can also share videos. Upload them to Facebook instead of linking to them on YouTube. That way, a Like link is added to the video. It can be used to gain more followers.

These tips will get you up and going on Facebook. But there are countless ways to use Facebook. See what your competitors and businesses you like are doing. It can be invaluable in developing a Facebook marketing strategy.



How to Trade Apple, When the Surreal Could Be Real

by Tiernan Ray

If the shares hit \$450, its market cap could exceed ExxonMobil's. Why that could happen, and why that scares some investors.

Imagine if shares of Apple, which currently fetch about \$345, were to increase by 30%, to \$450. Apple's stock-market value would then surpass ExxonMobil's, making it the most valuable company on earth.

I say imagine because it's rather fantastic to think of a consumer electronics company pushing aside a company with oil, and because it's hard to imagine Apple's shares going anywhere these days.

The stock (ticker: AAPL) is up about 7% this year, just even with the Dow Jones Industrial Average—hardly what one would expect for a company that created a new market overnight, the tablet computer craze, with its iPad business expected by some to be worth \$17 billion this year.

That's \$17 billion in revenue, out of thin air.

Moreover, backing out cash and marketable securities of \$60 billion, or \$64 per share, Apple shares aren't just cheaper than the S&P, they're bizarrely cheaper. It trades at 11 to 12 times this year's projected earnings per share, versus the S&P's average of 14 times, despite EPS growth projected at 52% this year by analysts.

In fact, there is a plausible path to seeing the shares rise into the ExxonMobil (XOM) neighborhood, but it is the awesome scale of Apple that lately seems to sharpen for some investors all the things that could go wrong.

TO HIT A \$450 PRICE TARGET at its current multiple, Apple would have to produce something on the order of \$31 per share in earnings, assuming its cash per share rises to more like \$86 in the coming year. That's not impossible.

Projected EPS next year is around \$26. What would it take to add an extra \$5 per share? The iPad alone is a brand new category, unanticipated a year ago, but that may produce an additional \$3.00 or more per share in earnings, based on a net profit margin in the high teens. If that business turns out better than expected, it's possible for 2012 earnings to be at least a couple of dollars higher.

Similarly, the expectation for iPhone sales of perhaps 60 million to 70 million units this year doesn't seem to fully reflect Apple's opportunity. The company has under a fifth of the smartphone market, the most valuable piece of cellular. Even if Google's (GOOG) Android software continues to win converts, the proliferation of smartphones, while also lifting other boats, will likely mostly enrich Apple. For Ticonderoga Securities analyst Brian White, who has the highest price target on the Street, at \$550, there is plenty of upside. White notes that Apple's computer market share is still just 4% to 5%, leaving plenty of business to be won.

And then there's the iTV. "I think it's reasonable to assume Apple could introduce their own branded television set in the next 12 to 18 months," says White, something I've written about on this page in recent months. "That's a hundred-billion-dollar-per-year market right there."

FEARS ABOUT CEO STEVE JOBS have not subsided among many since his return from a liver transplant in 2009, and his decision in January to step away from day-to-day duties.

"He's a genius," says Scott Black, head of Delphi Management in Boston, and a Barron's Roundtable member. "How do you replace him? He's the modern-day Thomas Alva Edison." The entire issue for Apple, in Black's view, is, "can they keep creating? Jobs's amazing record doesn't lend itself to McKinsey-style focus group planning." Concern about Jobs is the main reason Black won't own Apple shares now.

Sushil Wagle, a vice president with the technology practice of J&W Seligman, part of Columbia Management, agrees there's deep, deep value in Apple shares. While he won't part with any, he's not buying despite the fact that demand for the company's products "shows no signs of tapering off." Most people Wagle talks to these days, he says, think that "there is a very small chance that Jobs is coming back" to Apple on a day-to-day basis.

But doesn't the stock already discount that? Not at the current market cap, says Wagle. "The stock is so big now, it's so widely owned, that you've got to convince the new buyers who haven't yet gotten into the stock." Those



investors, rather than looking past the problems, put their concerns front and center. “You have to think about the fact that there are human beings trading these things, and there is emotion involved, and sentiment,” says Wagle.

Barron’s Roundtable member Fred Hickey, editor of the High Tech Strategist Newsletter, contends that there is a wall of worry confronting Apple, especially given its market cap, that didn’t exist a few months ago.

“At the beginning of the year, when I thought the stock would go to \$400, everything was going perfectly for them,” says Hickey. “They were putting up huge numbers, the iPad was coming down the pike, the iPhone was on its way to Verizon.” The stock looked undervalued then, he says, and maybe it still does, if you think “perfection will continue.”

Concerns have cropped up. The disaster in Japan is one of the biggest challenges, of course, and Hickey says the implications for Apple, and indeed for all of tech, are deepening day by day. “I think at first people tried to shrug it off,” he says of supply-chain problems stemming from Japan. “We’re seeing just in the last 24 hours reports of motherboard prices rising, disk-drive prices going up.”

Despite Apple’s deep, deep pockets and its long-term supply agreements, Hickey doesn’t believe we can say for certain whether Apple’s margins will get hit by higher component prices. Nor can we say for certain that the company will get enough components to make enough iPads to meet raging demand.

Add to the mix rumors last week that Apple’s iPhone 5 may not ship this summer, as expected, but perhaps in the fall. Is that a result of component scarcity or a deliberate choice by Apple? “I think it’s going to take a couple of quarters for all this stuff to work itself out,” before Apple shares work again, says Hickey, during which time he would neither short nor buy.

I WOULDN’T BET AGAINST APPLE on supply concerns alone. When one factors in the negative sentiment among some fund managers around Jobs’ hiatus, and worries about broader market factors, such as the end of the Federal Reserve’s quantitative easing this summer, there’s a passel of worries one has to look through.

And yet, if any part of the math I laid out makes sense, if there’s a real prospect that Apple can joust with the world’s biggest oil company for the top-dog spot, then perhaps it is worth looking through all those concerns. I guess it just depends on how much chutzpah you have.

Apple Ambassador

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on the same side of the debate as the United States Court of Appeals for the District of Columbia in restricting the F.C.C.’s authority over Internet service.

House Joint Resolution 37, which was approved by a vote of 240 to 179, was spurred by the F.C.C.’s approval in December of an order titled “Preserving the Open Internet.” The order forbids the companies that provide the pipeline through which consumers gain access to the Internet from blocking a user’s ability to reach legal Internet sites or to use legal applications.

But Republicans in the House maintained that the order exceeded the F.C.C.’s authority and put the government in the position of overseeing what content a consumer could see and which companies would benefit from Internet access.

“Congress has not authorized the Federal Communications Commission to regulate the Internet,” said Representative Greg P. Walden, an Oregon Republican who sponsored the resolution.

The F.C.C. order “could open the Internet to regulation from all 50 states,” Mr. Walden said, and was little more than the Obama administration’s attempt to use the regulatory process “to make an end run around” the Court of Appeals ruling.

Representative Henry A. Waxman, a California Democrat, warned of dire consequences should the resolution be approved. “This is a bill that will end the Internet as we know it and threaten the jobs, investment and prosperity that the Internet has brought to America,” Mr. Waxman said.

It is likely that Democrats in the Senate can defeat the measure, but by no means is that certain. The joint resolution was initiated under the Congressional Review Act, meaning that it cannot be filibustered and requires the support of only 30 senators to bring it to the floor.

President Obama courted Silicon Valley supporters during his campaign by promising to enact a “net neutrality” provision, as the F.C.C.’s order is known. Advisers to the president have said that he will veto the resolution; it would then take a vote by two-thirds of each house of Congress to override the veto.



In addition to opposing the F.C.C.'s order in Congress, some broadband providers, including Verizon, have said they will challenge the order in court. Those challenges can begin once the regulations become final, in a few months. Last year, the appeals court ruled that the F.C.C. did not prove it had the authority to sanction another major Internet provider, Comcast, for blocking access to the file-sharing service BitTorrent.

During the debate on Friday, each side accused the other of safeguarding the interests of big companies. Democrats said that Republicans were protecting the interests of the cable and phone company giants that are the dominant providers of broadband Internet service to American households. Those companies generally oppose the F.C.C. order, because they believe they need to be able to direct traffic on their networks as they see fit.

Republicans countered by accusing Democrats of protecting big technology companies, like Google, Amazon and Netflix, that have become successful because of the lack of Internet regulation but which now want to protect their turf from new competitors.

Each side in the debate also accused the other of adopting the position of totalitarian regimes in Iran and China by favoring limitations on Internet sites that people can view. Republicans said the F.C.C.'s Internet order formalizes government control of the Internet, giving it the power to determine winners and losers among Internet start-ups.

Democrats, in turn, said that without the F.C.C.'s open Internet policy, broadband companies that also own content providers, like Comcast's ownership of NBC, would be free to block the Web sites of competitors. Six Democrats voted with the majority on the resolution, while two Republicans voted against the bill.

Few of the debaters raised some of the more technical issues that are at the center of the debate over broadband regulation, like specialized services and tiered rates. Specialized services, for which a broadband company uses part of its Internet pipeline to deliver dedicated services to specific customers, worry regulators who fear that companies will invest more to develop those more profitable offerings while neglecting to update basic broadband service.

Representative Lee Terry, a Nebraska Republican, said during the debate that supporters of the F.C.C.'s order wanted "to give the F.C.C. power over business plans," by restricting the ability of broadband service companies to offer tiered service, for which customers pay based on the amount of Internet bandwidth they use.

Just as a customer at a fast-food restaurant pays more for a large Coke than for a small one, Mr. Terry said, Internet companies should be free to charge customers more if they consume a greater amount of bandwidth because of heavy use of features like streaming video.

Jobs Mentored Google

Continued from page 1.

Jobs allegedly first saw features in Android like pinch-to-zoom while visiting Google's Mountain View, Calif., corporate headquarters. The meeting reportedly made Jobs "furious."



Jobs also reportedly disparaged Google at a company meeting, dismissing Google's "don't be evil" mantra with an expletive, and saying that "Google wants to kill the iPhone."

The new book also reveals that Jobs "somehow managed to keep the development of the iPad hidden" from Schmidt when he served on Apple's board. Jobs reportedly believed that the "best ideas from the iPhone had been stolen."

Google is headed in a new direction now, as Page has officially replaced Schmidt as chief executive of Google. And Page's co-founder Brin will also take a more active role in strategic projects including product development. Schmidt will remain Google's executive chairman.



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