

Dear Dieter,

Thank you for the TreoCentral article (Nov. 30) discussing a letter to our president and CEO, Ed Colligan. A customer had asked Palm to be more forthcoming related to issues with Treo smartphones, and lots of TreoCentral readers echoed those sentiments. Ed has asked me to get back to you.

Let me start by saying that we have a great deal of respect and appreciation for our loyal Palm customer base, especially those who have been long-time Palm customers and Treo users and who contribute to the passionate TreoCentral community. Many of us at Palm read the articles and comments on TreoCentral (and other sites) for feedback -- positive or negative. We also collect and analyze feedback from our customer-support agents and our sales reps in the retail and business markets. Finally, we collaborate with our wireless carrier partners on product features and any new field issues to help us prioritize which issues we should address for a given product during its life cycle.

Some issues clearly get a fast-track response and public resolution. These are ones that affect a large number of customers and for which a near-term fix is possible. For most other issues, we batch them together into a maintenance release project that usually results in an updated ROM image. This batching is a business necessity because of technical resources available. We strive to release a ROM update within 2-3 quarters of a product launch, which we think is pretty much in line with other manufacturers in the wireless business.

As you noted in your article, we don't control all the elements of software updates or the timing. Palm assumes responsibility for the creation of patches or updated ROM images when field issues arise, and then we work with our wireless carrier partners to test and certify these changes before they're released. This is a different model than a software-only company like Microsoft, which can push desktop changes out on their own schedule. A lot of things factor into our software updates and their availability ranging from carrier-testing protocols, development times on Palm's side, or competing resource priorities at Palm or at carriers -- and it has been our practice (and that of our wireless carrier partners) to not communicate the schedule or content of an update until the software is on the verge of being certified by Palm and the wireless carrier. Our thinking is that we'd prefer to communicate with our customers once we have a solution in hand. However, we do understand that the letter writer and many on TreoCentral would prefer that we acknowledge an issue and, ideally, acknowledge that we're working on a fix in advance of the release of a fix. We continue to discuss this topic internally.

It's a tough balancing act to decide what to flag or acknowledge because not all customers experience an issue or experience it in the same way. Communication to some customers can be calming, while it can be alarming to other customers who haven't experienced an issue (and maybe never will). And different smartphones using different radios on different networks can make things even more complex to communicate. Lastly, the carriers do have a big say over what does/does not get communicated since these products are sold for use on their wireless networks to the end customer.

That's enough background, so let's talk more about the specific issues in the letter, which named three reported problems - Bluetooth compatibility, stuttering during music playback, and a delay when switching applications.

Dissatisfaction with Bluetooth performance is clearly a top customer issue and our technical team has been working to overcome Bluetooth hardware limitations to deliver improved performance on the 700p. Tops among these is improving the stability of the Bluetooth connection between the phone and the headset/carkit. We hope to have a patch specifically available for Bluetooth early in the new year assuming it passes through all its certifications and is approved by the carriers. At that time, we'll be able to publish an updated compatibility list, but to be upfront about this, the number of devices we have time to test is limited, so some users may still be

disappointed that their headset or carkit isn't listed. That doesn't mean it doesn't work – it just means we didn't have the resources to test it.

Stuttering during music playback on the Treo 700p can occur when another app or system activity takes priority over the digital audio stream playback. For example if you have another app running in the background (like Versamail), it will kick off radio activity that takes precedence over the music playback activity, thus causing a stutter or skip. This is another area where we are making some changes in audio buffering although the stuttering won't be 100% eliminated on this particular device. These changes will be released as part of a formal ROM update planned for availability in late Q1 2007. That 700p ROM update will roll in the Bluetooth patch I mentioned above as well as a number of other enhancements to system stability, reliability and performance. It takes time to make sure we haven't broken anything in the process of fixing issues, and I'll add the caveat again that it is up to the carriers to test, certify and release the ROM update before it can be released to customers.

The last issue mentioned in the letter is a lag seen when switching between apps which is apparent to upgrading customers who are used to faster response times on other Treos or Palm handhelds. This lag is noticeable for some because it is taking longer than desired for the databases of the previous application to close and the databases of the next application to open. Aside from working with 3rd-party developers to minimize the lag while switching to/from their apps, there isn't much we can do to alleviate this as it is partly a result of the shared hardware design between the Treo 700p and Treo 700w/wx. I don't want to sound like I'm dismissing the frustration this is causing for some power users, but it has not been reported by a significant portion of our customer base. We believe we still deliver the best mobile experience and while this particular device is perceived to be slower than previous models, it is still faster than other smartphones on the market. We hear the dissatisfaction and will try to continue to make improvements in this area on future products.

About our approach to beta-testing software updates: Of course, we can always improve our existing external beta testing for our products and software updates. Given that there are, for example, more than 30,000 software applications available for Palm OS products, you can appreciate that the scope of the testing has to be limited. We also have to try to prevent uncertified device software from leaking out prematurely and potentially breaking a customer's phone (perhaps generating an unnecessary return and incurring other customer satisfaction issues). It's even possible that uncertified software could cause harm to the wireless carrier's network. But point taken; this is certainly an area where Palm should and will investigate ways to improve beta testing.

I know I haven't answered everything to everyone's satisfaction. But I'd like to close by thanking you for approaching us about your community members' concerns, and I hope that I've shed some light on Palm's practices and process, as well as some of our short-term plans for the issues raised. You can be sure, however, that the essence of your communication has had high-level expose within Palm – and my entire team, which has direct responsibility for these issues. Thank you again for your interest in our products and your conscientious efforts to help us build better and better solutions with your input.

Regards,
Steve Sinclair
Sr. Product Manager, Palm OS Wireless Products