

# AT&T is not building a cloud gaming business – but it might be angling for a cut

For many months, AT&T has been dangling a tantalizing possibility: what if its network let you instantly try blockbuster games for free? The company started by generically bundling free six-month subscriptions to Google Stadia and then began letting its customers stream full copies of *Batman: Arkham Knight* and *Control* over the internet. Next, it hinted at something even more intriguing: a try-before-you-buy game service where you could try a game *directly from a search result*, buy and download a full copy once you determine you like it, and pick up right where you left off.

No current cloud gaming service offers anything of the sort.

But, after speaking to the man in charge of these AT&T initiatives, we've learned that AT&T isn't planning to create such a thing itself. In fact, the company's experiments aren't pointing toward a cloud gaming business at all.

"We're not going to turn it into a business," says Matthew Wallace, AT&T's assistant vice president of 5G product and innovation. "Our goal in life is not to provide a gaming app or gaming service; it's to provide the underlying network capability and then make those capabilities available to the gaming companies and customers."

*"Our goal in life is not to provide a gaming app"*

I ask the question other ways, too, just to be sure I'm understanding correctly. Would AT&T want to provide the missing pieces of that try-before-you-buy vision? "We're not

interested in launching a gaming service for that,” Wallace says. The company has existing relationships with Google and Microsoft, so it’s not investing in building out a cloud network of its own to attract game publishers, nor does it have another free game like *Batman* or *Control* lined up; Wallace says AT&T’s looking for its next partner there now.

What does AT&T want out of cloud gaming, then? Wallace, a 25-year AT&T veteran, was willing to be candid. His role with it only dates back to 2019, and it started as a test case for 5G – just one particularly useful example of a difficult but potentially desirable network load that takes advantage of the speedier connectivity. “Gaming, especially cloud gaming, was one of the very first things that popped to the forefront,” he says.

So the job was to partner with gaming companies and figure out how the network might better serve their needs. “Our focus is what we can do in the network to make sure the customer session has the right characteristics,” says Wallace. That includes not only radio performance but also optimized paths for all the data going through the network, shortening the time it takes to travel “from the mobile core to where the applications are,” among other hops.

A poorly understood fact about cloud gaming is that a fast-in-terms-of-download-speed connection isn’t fast enough. Far more important is latency – here, the time it takes for your button press to make its way to a remote server, move your game character, and make its way all the way back to your screen. Wallace says AT&T has learned that both speed and latency have to be consistent for cloud gaming and that consistency has “definitely held back cellular networks.” That’s what the company’s working on with these public tests.

And there, AT&T might have a thought on how to dramatically improve the consistency, but it’s a potentially controversial one. Wallace says the company’s been testing quality-of-

service adjustments that could “ensure resources are allocated to customers who are using a cloud gaming app.” In other words, AT&T could prioritize cloud gaming uses over other kinds of data – something that would fly in the face of net neutrality principles. (Net neutrality is mostly dead in the US but alive in California, and it might be coming back nationally.)

Mind you, Wallace says AT&T’s only been testing this internally in the lab and in the field. “It’s not something we’ve been offering live yet,” he says. “We have not figured out go-to-market on any of these things, but you could imagine a future where for the right service levels, gaming just works for the customer – they don’t have to do anything special.”

I’m torn. Cloud gaming has to “just work” if it’s ever going to succeed, but it sure sounds like AT&T’s thinking about paid prioritization with that “right service levels” comment. If I had to pick, I’d pick net neutrality.

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