

Verizon's Open Access Network: Will Industry Follow?

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Verizon's news today that it will offer "open access" to its wireless network is a shot across **AT&T's** bow, and could be the first major step toward opening what has developed into a kind of "Kremlin" for connectivity.

Verizon says by the end of next year, customers will be able to use any wireless device and software applications on its nationwide wireless network that are currently unavailable today. In other words, hardware and software that had been exclusive to other wireless carriers will be able to work on Verizon's system, as long as it meets Verizon's minimum technology standards.

Now, before you jump to the conclusion that you'll be able to buy your iPhone from **Apple** and run across the street and activate it at the Verizon store, remember that iPhone is a GSM-based phone, and Verizon is a CDMA network. Two competing platforms that today are not compatible. But that's not to say that if AT&T follows Verizon's lead and opens its network capabilities, that Apple some day down the road may offer a CDMA-based iPhone. A longshot, sure, but a possibility.

The Verizon news for now is far more important for the likes of **Motorola, Nokia, Palm, Research in Motion** and the other handset makers offering devices for both CDMA and GSM. It could also mean new options for a host of other hardware makers looking for some kind of connectivity, whether it be game-players or home appliances that will offer wireless connectivity to a network. In other words, news that could be as good for traditional handset makers as it would be for **Sony, LG, Samsung**, and other consumer electronics makers.

I was on the company's conference call this morning and it was clear that Verizon is trying to attract ALL hardware and software makers; no matter who is doing the innovating, Verizon wants to make sure that the innovations will work on its network, and won't be exclusive to some other competitor. That goes for big developers as well as hobbyists who might be working on some one-off device in their basement. As long as the phone meets those minimum connectivity standards, it can run on the Verizon network.

This is a novel approach for a company that has prided itself on a tightly closed network that it completely controlled. But Verizon will still maintain a sense of control since new hardware and software will have to meet the company's connectivity requirements.

Early next year, Verizon will publish those technical standards so developers will know what is necessary in order to make their devices and applications work on the original partner for whom they had been innovating, as well as the Verizon network. Verizon will host a developer's conference early in 2008, and at that time, the company hopes to unveil new partnerships with handset and software developers.

The move also dovetails nicely with Google's recent wireless initiatives, trying to pry open the nation's wireless networks. Verizon executives confirmed this morning that the company had been in ongoing discussions with Google about that company's Android mobile operating system. Verizon was clear today that rather than partnering with Google only about an open wireless operating system, the company's new open-access network will work just as well with **Microsoft's** mobile OS, **Palm's** mobile OS and **Google's**.

There is enormous pressure for the rest of the industry to step up and respond to this, and this has the potential of being as big a deal for consumers as "numbers portability," where customers could easily and seamlessly move their mobile phone numbers from one carrier to the next. A significant change in the wireless business, that could put the U.S. wireless market on par with what seem to be far more robust offerings in Asia and Europe. All things to all customers, if you will. Sprint? AT&T? The ball's in your court.

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