

Verizon hears you now

Ryan Kim, Chronicle Staff Writer

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In a move that could give cellular customers unprecedented freedom and choice, Verizon Wireless announced Tuesday it will be the first major carrier to allow any device or application to connect to its network.

The nation's second-largest carrier, with 64 million subscribers, said it will launch an initiative next year called Any App, Any Device, which will allow manufacturers of phones and other mobile devices to connect them to the Verizon Wireless network provided they meet some minimum standards. The move is a major reversal for Verizon Wireless, which has been known for jealously guarding access to its network.

The move comes just weeks after Google announced it will create an operating system for mobile phones that similarly will create a wide choice of devices and applications for consumers. Combined with the successful launch of the iPhone from Apple, which peeled back some of the control carriers historically have had over their handsets, the wireless industry appears poised for a revolution as it finally heeds calls to loosen its grip.

"We're seeing a sea change here. If you go back a year ago, there was absolutely no sign anyone was interested in pushing opening wireless networks," said Harold Feld, senior vice president of the Media Access Project, a nonprofit telecommunications law firm. "This is like a Berlin Wall moment, where the pressure is too much for these guys."

The initiative means that Verizon Wireless customers could pick from a larger array of phones that are free of restrictions. It could also open the door for nonphone devices like gaming systems or cameras to get cellular access for the first time. Much as so-called third party software developers have helped enrich the world of Microsoft Windows, the move by Verizon could help unleash a bevy of new applications for handset users.

However, critics, including Feld, are questioning how open these networks ultimately will be, how much it will cost to connect outside devices and whether Verizon is just engaging in a public relations ploy. John Jackson, an analyst with the Yankee Group, said the move amounts to a low-risk, high-return PR move for Verizon. He said while it helps the company counter Google's wireless initiatives, it doesn't necessarily promise a world of change for users.

"It's not clear that it carries any meaning and it's not just another name for something that will happen anyway," said Jackson. "This is really a good example of the way incumbents who have lot to protect can take the air out of sales of would-be disrupters like Google and take back some of that PR initiative."

Taken at face value, Verizon's announcement enables manufacturers to create new devices that won't have to jump through the same hoops that Verizon erects for handsets it sells. And developers will be able create a wide variety of applications that will be more readily available to users.

Under the old model, which still will be an option, Verizon customers buy phones subsidized and carefully approved by the carrier. The U.S. operators have historically told manufacturers what to put on their phones and what to keep off, which often disappoints customers who are denied the latest in features and applications. This closed approach meant that customers on a competing network like Sprint couldn't move their old phone over to Verizon's network even though both operators use the same cellular technology.

"This is a transformation point in the 20-year history of mass market wireless devices - one which we believe will set the table for the next level of innovation and growth," Lowell McAdam, Verizon president and chief executive officer, said in a statement.

Early next year, Verizon Wireless will release the technical standards for connecting to its network and hopes to have devices available by the end of next year. Pricing has not been announced.

Verizon's new commitment to an open network is the latest sign that the grip of the carriers is loosening. The iPhone's launch with AT&T in June proved that a company with an iconic phone could dictate the terms to the carrier and not the other way around. The iPhone was sold directly to consumers through Apple stores and was allowed to support whatever applications Apple wanted.

Earlier this month, Google followed up by announcing it was creating a free mobile operating system called Android as part of a coalition called the Open Handset Alliance. The coalition, which includes carriers like Sprint and T-Mobile, is committed to creating an open environment for customers, allowing them to access a wide range of devices that can support an array of applications.

Eric Schmidt, chief executive of Google, welcomed Verizon Wireless' new open model. Under the Any App, Any Device initiative, phones built with Google's Android operating system could also work on Verizon Wireless' network provided they meet Verizon's specifications.

"We think this is a great step forward. As the Internet has demonstrated, open models create better services for consumers and stronger businesses for providers. We are excited to work with Verizon and other industry leaders to achieve this vision," said Schmidt in a statement.

For Verizon Wireless, the initiative may be a preparatory move toward bidding in the 700 MHz wireless spectrum auction early next year. The auction provides the last big piece of available spectrum in the United States.

One of the largest blocks of spectrum, which has garnered interest from a number of companies such as Google, has an openness requirement similar to what Verizon just announced. By committing publicly to openness, Verizon Wireless also matches Google's calls for network neutrality and potentially placates government regulators who are pushing for wider rules for the wireless industry.

Timothy Wu, a Columbia Law professor who has been instrumental in championing net neutrality and more freedom in the wireless world, said he is excited about the progress Verizon Wireless is making. But he said the key will be how easily Verizon Wireless certifies devices and applications for its network.

"The question, of course, is implementation," Wu wrote in an e-mail. "It is whether Verizon's testing requirements, for example, create a network that is open in name but closed in practice."

Feld, the media attorney, said that despite his early optimism, he is still concerned about how much it will cost users to connect their devices to Verizon's network. He also said that because this affects only Verizon Wireless, the government should continue to push for rules requiring openness in the mobile world.

Federal Communications Commission Chairman Kevin Martin said the moves by Google and Verizon Wireless are helping fulfill his vision for an open wireless environment. He said the rules the FCC laid down for open access in the 700 MHz spectrum auction appear to have succeeded in accelerating the move toward a more consumer-friendly open approach.

"I continue to believe that more openness - at the network, device and application level - helps foster innovation and enhances consumers' freedom and choice in purchasing wireless service," said Martin.

E-mail Ryan Kim at rkim@sfchronicle.com.

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