



InformationWeek

BUSINESS INNOVATION POWERED BY TECHNOLOGY

Get News On Your Phone

Part of the **TechWeb** Business Technology Network

SEARCH

RSS FEEDS

SUBSCRIBE

EVENTS

WHITE PAPERS

- [NEWS](#) | [BLOGS](#) | [WINDOWS](#) | [SECURITY](#) | [MOBILITY](#) | [INTERNET](#) | [SOFTWARE](#) | [HARDWARE](#) | [MANAGEMENT](#) | [RESEARCH & TOOLS](#)

[CAREERS](#)

[News Center](#) | [Blog](#) | [Columns](#) | [Product Reviews](#) | [Current Print Issue](#) | [Read All Stories](#) | [All News Stories](#)

Google, Skype Could Benefit If FCC Backs 'Openness' For 700 MHz Auction

"Openness" means a service provider won't be able to dictate which devices and services can be used on the network in the way cellular carriers currently do with their networks.

By [W. David Gardner](#)
InformationWeek

July 11, 2007 03:27 PM

Providers of [Internet telephony](#) services seem to have won a battle in the war against conventional wired and [wireless](#) telephone service this week when FCC chairman Kevin Martin called for "openness" in draft rules for the upcoming [auction of radio spectrum in the 700 MHz band](#).

Companies like [Google](#) and eBay's Skype applauded the move. Google called Martin's new public stance a "favorable development". eBay's CEO supported Martin, too. Google and eBay and other technology companies are increasingly facing off against entrenched telecom firms like AT&T and Verizon Communications(VZ).

The auction, which won't take place for several months, is shaping up as a major battlefield between IP technology firms and traditional telephone companies. And the draft rules still need to win votes from a majority of the commission before the auction can take place.

"Openness" means the service provider won't be able to dictate which devices and services can be used in the way cellular carriers currently determine which phones can be used on their networks and which services will be enabled.

"This is a very high-stakes game," said Steve Arnold, a Google and [search](#) engine expert, in an interview Wednesday. "The future of telephony is IP. The telephone company platforms are old and the Googleplex is new." Arnold believes Google holds a powerful hand in its competition with the telephone giants because it has tens of thousands of servers scattered around the world in some 30 datacenters; Arnold believes Google could be transformed relatively easily into a [telephony](#) company someday.

Meg Whitman, president and CEO of eBay, noted in a press release Tuesday that the online auction firm's Skype, which provides voice-over-IP [communications](#) services, has asked the FCC to support openness principles in the 700 MHz auction.

"eBay is encouraged by reports that the chairman of the FCC is proposing 'openness' principles for [wireless](#) services in the context of the upcoming spectrum auction," she said. "We believe that ensuring greater choice for wireless consumers is a very positive development, and we look forward to meaningful openness based on Carterfone principles being part of the commission's final rules." The landmark Carterfone decision in 1968 opened up competition in the former government-regulated AT&T phone company and has been cited often as an important precedent in developing future competition among telecommunications providers.

The big question mark is Google. In May, the firm asked the FCC to allocate a significant portion of the 700 MHz radio spectrum in such a way as to increase competition among wireless providers. And, while Google hasn't indicated that it will be a bidder in the auction, major Google investors L. John Doerr and [Ram Shriram](#) are involved in Frontline Wireless, a well-financed venture that plans to bid in the auction.

[Steve Largent](#),

CEO of wireless trade group CTIA, has a different view. Complaining that the FCC chairman appeared to favor Google, Largent said in a statement: "Crafting special rules for a company with a market cap of \$170 billion to address problems that don't exist in our competitive market makes absolutely no sense whatsoever. The bottom line is that the American taxpayer is at serious risk of losing billions of dollars because one of the wealthiest companies in the world has apparently convinced policymakers that they require special auction rules that tailor-fit their business plan."

Arnold, who has written a book on Google and has another in the works, said Google has several important advantages in the coming battle for spectrum. "The world sees Google as a Web search engine with ads," he said. "But Google is poised to become a supra telephony platform. It already has next generation [telephony] infrastructure." In addition, he noted that while Google has a telephony infrastructure in place, it isn't hampered by FCC regulations that must be adhered to by telephone firms like AT&T and Verizon. He said Google is challenging traditional telephony technology through its "engineering and infrastructure."

"The question is: will Google become a global telephony company," he asked rhetorically? "Yeah, I think it will, but not overnight. Right now, Google is saber-rattling. I think it will eventually make a deal with the phone companies." He observed that Google has generally supported flat rate pricing for online delivery of

- » [E-Mail](#)
- » [Print](#)
- » [Discuss](#)
- » [Write To Editor](#)
- » [Digg](#)
- » [Slashdot](#)
- » [News Stories](#)

CAREER CENTER Filter Name:

Ready to take that job and shove it?

Employers:
Give your recruitment message influence. Advertise in the InformationWeek 500.

Related Stories

- [Wi-Fi Startup Gets Funding From Google, Skype](#)
- [Google's Wireless Plans May Pose Threat To Telecom Companies](#)

Related White Papers

- [Could Your Healthcare Organization Benefit from Electronic Fax?](#)
- [How Google Overcame Application Scalability and Agility Limits with a Virtualized, Real- ...](#)
- [Business Guide to Voice over Wireless LAN](#)
- [Business Guide to Voice over Wireless LAN - Free Podcast](#)
- [Identifying the Right Media Format for Broadband Video Initiatives](#)

InformationWeek 500

conference |

The Westin La Paloma Resort & Spa
Tucson, Arizona | September 16-18

click here now!

InformationWeek Marketplace (Sponsored Links)

Going Global is hard, Lionbridge makes it easy.
Insights for global operations, Whitepaper: Best Practices for Integrating a Multishore Strategy

Advertise With Us

Specialty Resources



Whitepapers, case studies, webcasts, videos, and additional resources to address pressing IT issues affecting your business

- [Slideshow: InformationWeek IT Salary Study](#)
- [Workstation Computing for Financial Services](#)
- [Secure the Mobile Enterprise - Free Trial DVD](#)
- [Get best practices for BPM and SOA](#)
- [Enabling Business Efficiency Through Collaborative BPM](#)

video and other services, while the telephone companies generally want to charge more for those downloads. "Google doesn't want to see charges for YouTube," he added.

Another issue playing out behind the scenes is the delivery of Wi-Fi. Google has rolled out free Wi-Fi in its hometown of Mountain View, Calif., and that has given pause to the phone companies because consumers can use the wireless network to make free and low cost VoIP calls. Google has said it isn't planning a nationwide Wi-Fi network and, indeed, even its effort to deploy Wi-Fi in San Francisco has run into problems.

Wireless service providers have been slow to equip their handsets with Wi-Fi functionality, although Apple's new iPhone has Wi-Fi capability and more cell phones with Wi-Fi are showing up on the market. CTIA's Largent challenges some of those opinions on the Wi-Fi issue. "Contrary to what was reported in the media, many wireless providers are offering Wi-Fi-enabled devices, and consumers are purchasing and using those devices across the country, not just at company-branded hot-spots."

Discuss This

0 message(s). Last at: Jul 12, 2007 3:45:51 AM

Add Your Comment:

Please [login](#) or [register here](#) for a free Techweb account to post

[XML](#) [Subscribe to RSS](#)

Advertisement



- » [E-Mail](#)
- » [Print](#)
- » [Discuss](#)
- » [Del.icio.us](#)
- » [Digg](#)
- » [Slashdot](#)
- » [Reprint This Article](#)
- » [Download Top Reports](#)

InformationWeek Marketplace (Sponsored Links)

Outsourcing globally? Go beyond cost savings.

Mitigate risks, choose Lionbridge, the leader in multishore program delivery. Download whitepaper.

ITIL®, COBIT®, ISO/IEC 20000, Quality Management

Summit will focus on organizations that are delivering integrated process frameworks - Reg Today!

Remote Access Solution

Access Any Computer Thru Firewalls. Sign Up Now For Free 7 Day Trial!

Refurbished and Used Networking Equipment

Network Liquidators sells refurbished and used networking equipment for up to 95% off list, with a ...

White Paper - Enterprise Password Management

Implement stronger password policies while decreasing IT costs & increasing productivity--Free Trial

Advertise With Us

[Watch this webcast for advice for building better applications faster](#)

[Hear Opalis CEO discuss run-book automation software](#)

[Online Solutions for Financial Services](#)

[Top Requested White Paper Categories from TechWeb White paper Library](#)

[Download free white papers and research from TechWeb Briefing Centers](#)

■ [VIEW ALL BRIEFING CENTERS](#)

Featured Microsite



Subscription Info

Apply for a free 52-week subscription to InformationWeek (a \$199 value)

First Name:

Company Name:

Business Address:

State:

Email Address:

NOTE: Offer valid for U.S., U.S. possessions, & Canada only

Learn more about
THE SCALE OUT ADVANTAGE



- News
- Windows
- Security
- Outsourcing
- Internet
- Software
- Hardware
- Management
- Research & Tools
- Industries
- Careers
- About Us
- Contact Us
- Current Issue
- Back Issues
- Site Map
- Media Kit
- Editorial Calendar
- White Papers
- Briefing Centers
- Privacy
- Your California Privacy Rights
- Other CMP Sites:
- Intelligent Enterprise
- Optimize Magazine
- Byte & Switch
- Informationweek Germany
- Small Biz Resource
- Network Computing
- Insurance & Technology
- Dark Reading
- Wall Street & Technology
- Light Reading
- Bank Systems & Technology
- TechWeb

[Terms of Service](#) | Copyright © 2007 CMP Media LLC. All rights reserved.