

BUSINESS DAY | TECHNOLOGY

# TECHNOLOGY; Verizon Plans Fast Internet For Cellphones

By MATT RICHTEL JAN. 9, 2004

Verizon Wireless said yesterday that it would deploy an advanced data network that will allow people to use the Internet at high speed on mobile phones and other devices, including laptop computers.

Verizon Wireless, the nation's largest mobile phone provider, said it would spend \$1 billion on the network over the next two years. The move intensifies a game of one-upmanship among the leading mobile phone companies, which are seeking to outdo each other in offering data services over airwaves once devoted to phone traffic.

The move also underscores how technology is allowing telecommunications companies to expand into new markets from their core businesses. The data network that Verizon Wireless plans will be fast enough to compete with high-speed Internet access offered through traditional telephone or cable lines, industry analysts said.

The announcement came a day after Verizon Communications, the telephone giant that owns 55 percent of Verizon Wireless, said it would spend

\$2 billion by the end of 2005 to upgrade its terrestrial network to better carry voice, data and video transmissions simultaneously.

The chief executive of Verizon, Ivan G. Seidenberg, said in an interview that the moves reflected a shift at the company toward focusing on data services. "This pushes us away from being voice-centric," Mr. Seidenberg said. "We're moving away from the legacy business."

Mr. Seidenberg spoke from Las Vegas, at the Consumer Electronics Show, the major annual convention of gadget makers and technology companies. He said he attended the show to demonstrate Verizon's commitment to becoming a provider of network connections to phones and other electronic devices.

The Verizon moves are not unexpected, according to industry analysts, who pointed out that other telecommunications companies are making similar moves to upgrade their networks.

Roger Entner, a telecommunications analyst with the Yankee Group, a market research firm, said that AT&T Wireless now has the fastest data network, which permits users to download data at about 100 kilobits to 130 kilobits a second.

Verizon Wireless expects to offer speeds of 300 kilobits to 500 kilobits a second, which is comparable to typical downloading speeds on digital service lines or cable modem lines, Mr. Entner said. He said Cingular and Sprint typically offer slower wireless data transmission speeds, but he expects them to upgrade their networks.

"A few months ago, Verizon and Sprint had the lead," Mr. Entner said. "AT&T has had it for a few months and will have it on a nationwide basis for a while." He added that it may then be awhile before the competitors catch up with Verizon.

The pledge by Verizon and Verizon Wireless to spend a total of \$3 billion

to expand their data networks is still a fraction of the \$55 billion that Mr. Seidenberg said Verizon has invested in infrastructure since 2000.

He went on to say that this week's announcements did not signal new spending, but were indications of how Verizon is using resources. And he said it was too soon to tell whether Verizon would increase planned infrastructure spending this year, and whether the industry was starting to see an upswing in equipment investment.

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