Cellphone users try to wrest some of carriers' control

By Carolyn Y. Johnson, Globe Staff  |  June 5, 2007

Behind rows of cellphone chargers and Bluetooth headsets at a kiosk in the Shops at the Prudential Center, Evan Silbert is quietly loosening the grip that major telecommunications companies have on the cellphone.

At his Warlox Wireless booth, Silbert unlocks customers' Razrs, BlackBerrys, Treos, and other devices that start out tied to a single carrier so that, for example, a phone originally purchased through T-Mobile will work on a new AT&T account. He also uses software that can reveal menus or intrinsic capabilities that have been shut off by the carriers.

As cellphones have become more functional and ubiquitous, consumers have become aware of the ways their service providers
hem them in. Features such as Bluetooth connectivity, which allows people to wirelessly transfer files, are sometimes disabled by carriers. People trying to get applications or ring tones onto their phones often find it frustratingly complicated -- unless they go through their provider's own store. People who want to switch service usually have to get a new phone.

That means Silbert's services, which were once the domain of phone geeks, are now mainstream enough for the mall.

"You own your hardware -- you have the right to be able to do what you want," said Silbert, who says he works on at least a half-dozen phones each day, charging about $35 for most modifications, which can be done in about an hour. "People have no idea they're buying something that locks them down so much."

A cottage industry of businesses like Silbert's is trying to hand a little power back to consumers who may not want to get locked into a standard two-year contract every time they need a new phone, or people who want to pay cheaper rates through a European carrier when they travel abroad. The US cellphone market is dominated by large cellphone carriers, which not only build the networks that carry data and voice but also shape their customers' entire experience. They subsidize the cost of the handset, sign most customers to a contract to recoup their costs, and often have sway over the development of the devices because they are the main distribution channel for the devices.

Some of that control is due to the complex nature of cellphone technology. US carriers run different types of networks, and the screen is small. Operators say they must exert control just to make sure customers find the phone functional and easy to use.

But to activists and academics, this is just an old argument centering on a new platform. Columbia University law professor Tim Wu compares today's wireless world to the landline industry in the 1950s, when consumers had to lease phones from AT&T. In 1968, the Federal Communications Commission ruled that AT&T could not decide which devices could be attached to the network, opening the phone world to competition and leading to landline innovations people take for granted today -- cheaper phones, answering and fax machines, and modems.

"Whereas a carrier might wish for a phone that does nothing more than what they want it to do . . . the world has moved past that simple model of all things emanating from a central switch, and the broader world is in favor of putting more and more control of that technology in your pocket," said Andy Lippman, director of the Digital Life Program at the MIT Media Lab, which is working on ways for mobile devices to communicate with one another without going through the carriers' cell networks.

But unlike the landline industry of a half-century ago, the cellphone industry has been highly competitive, and the carriers who have invested billions say many of their practices are made to provide a better experience.

"The services that we offer are tuned so they work best over the phones that we actually sell to our customers. So, for example, if you brought a phone over from T-Mobile it might not have something built into it like Cingular music or Cingular video -- or work at all, frankly, across our network," said Steve Krom, vice president and general
manager of AT&T's wireless operations -- formerly Cingular -- in New England.

Spokesmen for the major carriers did not address questions about specific capabilities that have been disabled or features that seem cumbersome.

It is generally easier to pay to send photos through the cell network or buy a ring tone from a carrier than it is to transfer your own files directly.

AT&T and T-Mobile lock phones so that they will work only on their own network -- although both carriers will now unlock phones after a certain time period. The much-vaunted $499 Apple iPhone will be locked to AT&T initially. Sprint Nextel and Verizon Wireless use a different network technology and only allow phones specifically sanctioned for use on their individual networks.

About 90 percent of phones with Bluetooth capabilities worldwide allow file transfer, but in the United States, carriers have been hesitant to embrace the technology because it might cannibalize wireless data revenues, according to a study by research firm iSuppli Corp., which estimated that about 30 percent of Bluetooth phones in the United States do not support data transfer -- unless someone like Silbert tinkers with them.

Similarly, operators have been slow to put Wi Fi on cellphones out of fear that people would use programs that allow them to make calls over the Internet and avoid paying cellular fees, the iSuppli report stated.

"They're trying to control the platform, and they can tie various business plans or business revenue streams to it," said Jennifer Granick, executive director of the Stanford Law School Center for Internet and Society. "They all have excuses, but in the end it benefits their bottom line personally."

Cellphone innovation in the United States lags Europe and Asia, where people can buy phones without becoming beholden to a service provider. That means equipment makers with a global market may ultimately have different goals than US carriers.

"We understand the carriers have a business model they're pursuing, and we understand the carriers have an obligation to provide what they feel is the best experience for their consumers, so we work with carriers to deliver solutions that meet their needs," said Bill Plummer, vice president of Multimedia for Nokia's North America division.

But the company has opened stores in Chicago and Manhattan where it sells phones, without services, directly to consumers. The company is also pushing high-end devices that make it easier for software developers to write new programs for cellphones.

Part of the problem for entrepreneurs with a cool idea is the combination of technical challenges and relationships necessary to succeed in the mobile world.

Each carrier's network is like a separate operating system, and each phone almost like a different kind of Web browser, meaning that it could take a vast team of programmers to write code for a new application that could work with multiple phones, said Walt Doyle, chief executive of uLocate Communications, a Framingham company that creates location-based applications for phones.
"These are big companies; they move kind of slowly, so you get frustrated with that," Doyle said. "But it's not just the operators -- the whole environment is just challenging."

Carolyn Y. Johnson can be reached at cjohnson@globe.com.

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