

iPhone sales shift set to shake up US telecoms

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For more than three months rumors have swirled that a deal between [Verizon](#) and Apple was in the pipeline.

A press conference scheduled for Tuesday is expected to finally end the mutterings, according to industry sources, and signal a shakeup of the lucrative US mobile market.

Since the [iPhone](#) was launched in 2007 would-be US customers have

been trammled toward AT&T, the sole carrier of the coveted smartphone which has sold in the tens of millions.

"The (Verizon) iPhone launch will be important," said James Ratcliffe of Barclay's Capital, predicting a boon for Verizon customers and sales of 15 million iPhones next year.

Apart from the now inevitable sales battle, Verizon's iPhone launch will also bring a long-looming technology fight to the fore.

Providers have been moving to phase out unlimited data plans, seeing restrictive caps as more cost effective, and a way of recouping lost fixed-line revenue.

But according to Ratcliffe it is "surprising" that Verizon will opt to give customers unlimited data plans, putting pressure on AT&T, which recently ended a similar iPhone plan in favor of a cap.

Douglas McIntyre of 24/7 Wall St. said "the move by Verizon is likely to cause the one thing that wireless providers have hoped to avoid -- price wars."

Most analysts now expected Verizon to roll out the iPhone by early February, but the impact of AT&T's lost exclusivity is already being felt.

Since the first reports of a Verizon-Apple deal surfaced late last year Verizon's shares are up nearly 10 percent.

On Monday AT&T's shares fell over four percent.

The company has been riddled by complaints about shoddy coverage, particularly in the populous northeast of the United States.

But ripples are also being felt beyond the providers immediately affected.

Until now Verizon has lavished much of its attention, and advertising dollars on devices running Google's Android applications.

"We think VZW (Verizon) will notably promote the iPhone, at least initially, especially relative to the attention, investment, (Google's) Android devices previously received," said Scott Kessler of Standard & Poor's Equity Research.

But AT&T may return the favor, taking more interest in Android-based phones, and offsetting Google's demotion on the Verizon podium.

"We expect Android-related sales will remain strong, given lower prices, proliferation beyond smartphones, and growing interest from AT&T in Android based phones," said Kessler.

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