

Verizon offers to cut exclusive time for phones

May 8 2009, By PETER SVENSSON , AP Technology Writer

(AP) -- Verizon Wireless has offered to shorten the period in which it demands exclusive rights to new cell phones from LG and Samsung in an effort to give small rural carriers a better chance to sell up-to-date phones.

But the rural carriers don't believe the offer is good enough and haven't taken it up.

[Verizon Wireless](#) spokesman Jeffrey Nelson said Friday that the company offered two months ago to let [LG Electronics](#) Inc. and [Samsung Electronics](#) Co. sell their phones to rural carriers represented by the Associated Carrier Group six months after the devices' launch at Verizon Wireless.

ACG said Verizon's offer is encouraging, but in practice, its members wouldn't be able to start selling the phones right when that six-month period expires. The group said carriers need more time to modify the phones to work on their networks.

ACG represents 25 carriers that together have 2.6 million subscribers. The largest carrier in the group is Cellular South Inc., based in Ridgeland, Miss.

Verizon Wireless' offer did not apply to sales of the phones at larger competitors like [Sprint Nextel](#) Corp., or urban upstarts like MetroPCS Communications Inc.

Rural carriers have complained that big carriers like Verizon Wireless and AT&T Inc. lock up hot new phones with exclusivity periods that can last for years. The Rural Cellular Association asked the Federal Communications Commission last year to ban the practice.

In particular, AT&T's arrangements with Apple Inc. have drawn attention. AT&T is still the only seller of the iPhone in the U.S., nearly two years after the first model was launched.

On Thursday, the chief executive of Cellular South, Victor Meena, told a U.S. House subcommittee hearing on wireless competition that "the situation with exclusivity agreements is bad and is only getting worse."

Samsung and LG are the largest suppliers of U.S. phones for the network technology, known as CDMA, that is shared by Verizon Wireless and ACG.

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