

Rumors about a Google phone may be just slightly off

All the rumors about a Google phone may be just slightly off. Rather than sell a mobile handset, Google Inc. might instead offer wireless service. A Google executive yesterday said the company is considering trying to win spectrum in an upcoming Federal Communications Commission auction. "We have not ruled in or out participating in the auction as a licensee," said Richard Whitt, Washington telecommunications and media counsel at Google. He was referring to the FCC auction of wireless spectrum in the 700-MHz band expected to happen next year. The frequency has been used by television broadcasters but is becoming available as part of the transition to digital television. The 700-MHz spectrum is attractive because it can carry signals for long distances, potentially reducing the costs of building a network.

Whitt didn't reveal more details about what Google would do with the spectrum if it decided to enter the auction and if it managed to win. With spectrum in hand, Google could build a network and offer wireless services directly to users.

Google could also let other service providers use the spectrum. On Monday, Google filed a letter with the FCC asking the agency to allow winners of the spectrum to create an auction system that would let third parties bid against one another for the right to use the spectrum. The system could be much like AdWords, Google's offering that lets companies bid against one another in order to display online advertising tied to search terms. "Whether or not we do get involved [in the auction], we see some value in creating these kinds of platforms," Whitt said. The company is interested in talking with spectrum winners about possibly developing the AdWords-like system for them, he said. Like other Internet technology companies such as Yahoo Inc. and Microsoft Corp., Google has shown increasing interest recently in the mobile Internet. The companies believe that advertising on the mobile Internet could generate significant revenue streams. However, Google has complained about the difficulty of working with operators, which control the wireless networks, and it faces the challenge of developing products for the very wide array of phone software systems. Operating its own network could allow Google to offer the types of services it wants to.