

Tech Insights: The Significance of Verizon's Skype Deal

Elliott Drucker

At a joint press conference during the recent CTIA Wireless 2010 show in Las Vegas, Verizon Wireless and Skype provided information about their newly signed pact. One of the technical details was something of a surprise and could point to a strategy wireless operators might use to help manage data network loading.

Skype is a hugely popular application that allows users to make and receive telephone calls on their computers, with voice signals carried over the Internet with voice over IP (VoIP) protocols. The primary attraction of Skype is that long distance calls, and in particular international calls, are either free (when talking to another Skype user) or far less expensive than calls made on the regular phone network.



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Thus, when the agreement was first announced a couple of months ago, some assumed that Skype service would be carried on the Verizon 3G data network using VoIP. Indeed, that's what I thought, as implied in my article titled [**The Future of Voice**](#) [1] (*Wireless Week*, March 2010). But at the CTIA show press conference, Verizon made it clear that over-the-air Skype voice traffic would be carried on its 1X-RTT voice network, just like a conventionally dialed call.

To some people, this approach may seem like a step backwards, since the conventional wisdom is that voice traffic is on an inexorable migration from the global Public Switched Telephone Network (PSTN) to VoIP. But wireless voice service must deal with challenges and limitations for which VoIP is not well suited and which air interface standards like 1X-RTT were designed specifically to deal with. With its special handling of Skype calls, Verizon is signaling that it intends to keep voice traffic on its voice network, where it can deliver a consistently high service quality. This further suggests that while they are now participating in industry efforts to develop standards for LTE voice transport, Verizon is likely to rely on 1X-RTT for voice until its quality and efficiency can be reliably matched by LTE.

High quality voice service is part of the Verizon "brand," and protection of that branding is the primary reason Verizon cites for undertaking the network configuration tasks required to enable special treatment of Skype calls. However, it's hard to imagine that the issue of network loading wasn't also a consideration. If

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the Skype app proves popular, which it likely will, a surge of VoIP traffic could become an unwanted burden on Verizon's 3G EV-DO networks just as growing use of other smartphone apps causes major capacity headaches. That would be bad enough, but heavy loading on EV-DO channels also would exacerbate problems of VoIP quality.

So, by engineering special network treatment of Skype calls, Verizon is managing a potentially burdensome application rather than allowing it to adversely impact network service quality. That could prove to be a significant milestone. As demand for throughput on wireless data networks expands and new RF spectrum becomes scarce, such operator management just might become a model for dealing with bandwidth-hog apps like on-demand streaming video.

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