

Anticipating Verizon's iPhone, AT&T Beefs Up Urban Networks

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AT&T executives set up a 100-day plan in mid-December to dramatically improve its much-criticized network in major cities, sources tell Niraj Sheth, hoping to improve coverage before Verizon comes out with its own iPhone.

So far, the plan seems to be falling short in meeting consumers' expectations. "They haven't fixed the network and they're going to see a huge exodus to Verizon" when it gets the iPhone, says Charter Equity Research managing director Edward Snyder.

But AT&T says its past problems with the iPhone have been a learning experience that any new carriers also will have to go through. AT&T is "managing volumes that no one else has experienced," points out CTO John Donovan, and he says it will continue to make improvements in coming months. Apple itself has re-jiggered the iPhones so that they put less of a load on the AT&T network for some simple but frequent tasks such as finding the closest tower.