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Federal agency to switch to iPhone, drop BlackBerry

Tue, Oct 23 2012

By [Nicola Leske](#)

(Reuters) - The U.S. Immigration and Customs Enforcement agency (ICE) said it will end its contract with BlackBerry maker Research In Motion Ltd in favor of Apple Inc's iPhone, dealing a new blow to RIM just months before it launches a vital new device.

The agency said in a solicitation document posted last week that it intends to buy iPhones for more than 17,600 employees - a purchase worth \$2.1 million.

The agency said it has relied on RIM for eight years, but the company "can no longer meet the mobile technology needs of the agency."

It also said it analyzed Apple's iOS-based devices and Google Inc's Android operating system and concluded that, for the near term, Apple's iPhone services offer the best technology for the agency because of Apple's tight controls of the hardware platform and operating system.

The agency said the iPhone will be used by a "variety of agency personnel, including, but not limited to, Homeland Security Investigations, Enforcement and Removal Operations and Office of the Principal Legal Advisor employees.

"The iPhone services will allow these individuals to leverage reliable, mobile technology on a secure and manageable platform in furtherance of the agency's mission."

Last week, consulting firm Booz Allen Hamilton said it was dropping BlackBerry and switching to iPhone and Android smartphones for its staff of around 25,000.

Analysts said that other businesses and agencies are likely to follow suit especially in light of demand for other smartphones.

"You're going to see this happen more and more," said Ed Snyder, an analyst at Charter Equity Research.

"They still have excellent security ... but if your handsets are a brick that no one wants to use it's going to drag down your business."

RIM has high hopes that its new BB10 smartphone, expected to in early 2013, will compete with iPhones and Android phones. The BB10 will come equipped with a revamped operating system and is aimed at putting an end to a precipitous decline in RIM's market share over the past year and longer.

"Of course, we are disappointed by this decision," RIM vice president of government solutions Paul Lucier said in an emailed statement. "We are working hard to make our new mobile computing platform, BlackBerry 10, meets the future needs of government customers."

RIM said that, after accounting for the ICE move, it had one million government customers in North America.

RIM's advantage has been what industry experts widely describe as superior security and device-management features that have made the BlackBerry appealing to corporate IT managers and a crucial tool for police, government and military use.

But that advantage is waning with the growing number of providers that help companies beef up security on iPhones and Androids and with Apple working on better security on its devices.

"Apple is really addressing security," Sterne Agee analyst Shaw Wu said, adding that it had improved security with the acquisition of AuthenTec and that it now supports Cisco's VPN.

Wu said RIM's problems were compounded by questions over the company's economic viability.

"Is the company going to be around in the next couple of years?" Wu said.

In addition, he added that "a lot of these enterprises have moved beyond email and voice, on to apps and, with RIM, it's pretty clear that their app ecosystem is very weak."

(Reporting By Nicola Leske in New York. Additional reporting by [Sinead Carew](#); Editing by Peter Galloway and [Andre Grenon](#))



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