

This Week's Stories

Nortel, IRS Headed to Trial Over \$3B Tax Bill

September 30, 2009

Nortel Networks and the U.S. Internal Revenue Service need to begin preparing for a trial scheduled to start in two weeks over a \$3 billion tax bill the U.S. government sent the bankrupt vendor at the end of August.

At a hearing Wednesday, U.S. bankruptcy court judge Kevin Gross said that Nortel and the IRS need to meet tomorrow to go over any information the two sides need for the Oct. 13 trial. Gross is the U.S. judge overseeing Nortel's bankruptcy proceedings. Nortel filed for bankruptcy in January.

The IRS sent Nortel in August a \$3 billion claim in back taxes, interest and other penalties as Nortel was in the midst of unwinding and selling off some of its main businesses. In fact, the move caused Nortel to change its \$915 million sale contract to Avaya for the company's enterprise solutions division. The sale of Nortel's assets will be applied against more than \$10 billion in claims from creditors around the world. If the IRS claims go through, it will mean that creditors will get less money on the dollar for their claims, and could also wipe out claims from U.S. creditors, suppliers and employees who are owed severance pay.

Nortel argued that the timing of the claim could indicate that the IRS was acting in bad faith. The government, for its part, said the claim was legitimate and also said that the issues were too complicated to have a trial start so soon.

<http://www.fiercewireless.com>

Verizon to Unveil Motorola Android Phone

September 30, 2009

Motorola's Google Android phone is scheduled for landing at Verizon next week.

With hopes they have finally created a blockbuster device to rival Apple's iPhone, Motorola and Verizon are preparing the introduction of the hotly anticipated Google Android phone sometime next week, say three industry analysts who asked not to be named for this story.

This revelation follows the recent Federal lab approval of the phone, and it clears the way for Verizon to start selling the phone during the all-important holiday season

The Motorola Android phone -- nicknamed Sholes and Tao at various points in its development -- will include a big touchscreen, slide-out keyboard, assisted-GPS and

WiFi, according to documents filed with the Federal Communications Commission.

Verizon is looking for a strong Christmas performance from Motorola's Android phone as well as big numbers from Research In Motion's BlackBerries. The Motorola Android and the second version of the BlackBerry Storm are expected to be Verizon's prime focus at the high end of its smartphone offerings.

Verizon representatives did not reply when asked for comments on this story. A Motorola representative declined to comment but added that the company has previously said it would make an announcement in the coming weeks.

Given the two new offerings ahead, and the lackluster demand for Palm's Pre phone, Verizon has decided to limit its support for the Pre phone, which was expected to be available in January as TheStreet reported last week.

On Tuesday, T-Mobile said that the Cliq would be available in stores in November for \$199 with a two-year contract. Industry watchers were a little surprised at the price, which was expected to be closer to the \$99 to \$149 range.

With the HTC MyTouch at T-Mobile and upcoming HTC Hero at Sprint there will be at least four Android phones in the market for the big gift buying season.

Motorola has demonstrated a deft hand in design with the Razr phone earlier this decade, but it's fortunes collapsed when the company failed to come up with a successor. Motorola's turnaround plans are riding on the success or failure of Google's Android phone software. The new Android lineup is arguably Motorola's last best shot to pull its phone division out of the red ink.

Verizon just hopes the new Google phone help ease its customers' case of iPhone envy.

<http://www.thestreet.com>

Product & Service News

AT&T Launching Dual-Mode Cellular/Satellite Smartphone

September 29, 2009

AT&T and satellite service provider TerreStar Networks announced a deal for AT&T to distribute an integrated, dual-mode smartphone that will be able to access both AT&T's wireless network and TerreStar's satellite network.

The phone, called the TerreStar Genus, can access TerreStar's satellite network when AT&T's service is unavailable. Users will have a single phone number for

both networks. The service will give users who have a line of sight to TerreStar's satellite increased coverage access across the United States, Puerto Rico, the U.S. Virgin Islands and territorial waters.

AT&T initially will launch the phone in first quarter of 2010, with the focus on enterprise, government and small business users. The company also plans an offering for consumers. The GSM/GPRS/EDGE/WCDMA/HSDPA/satellite device will cost around \$800, and users can buy a terrestrial mobile package and then add the satellite service for \$25 per month, paying 65 cents per minute for voice use and \$5 per megabyte of data use. The Genus will run on windows Mobile 6.5 and also has a 2.6-inch touchscreen, WiFi, Bluetooth and GPS.

In June, AT&T announced its intentions to resell TerreStar services, and on July 1, TerreStar launched its 17,000-pound TerreStar 1 satellite.

Meanwhile, in other satellite news, satellite service provider Iridium had a public stock offering yesterday that raised an estimated \$200 million. The company plans to use the money to begin replacing its satellites, which it launched 12 years ago.

<http://www.fiercewireless.com>

AT&T Launching Garmin's Nuvifone Oct. 4

September 29, 2009

The day has finally come--Garmin's nuvifone has found a home in North America.

AT&T Mobility will launch Garmin's long-awaited nuvifone G60 device Oct. 4, bringing to a close speculation about the device's fate that has dragged on for nearly two years. The nuvifone was originally announced in January 2008, but the phone's launch has been delayed numerous times. The device received FCC approval in December, but as late as this past July there remained questions about the exact nature of the phone's North American launch. The G60 is the flagship product of Garmin's nuvifone line of products and represents the company's first major effort as part of its smartphone partnership, Garmin-Asus, with AsusTek Computer.

The phone features HSDPA and WiFi and has the same core functions as a high-end Garmin nuvi GPS device, including pre-loaded maps of North America with millions of points of interest as well as turn-by-turn navigation. The phone also has a full HTML browser, 3-megapixel camera and a 2.55-inch touchscreen display.

AT&T said the G60 will be available for \$299 with a two-year contract and after a \$100 mail-in rebate. The companies said that Garmin's Premium Connected Service--which includes traffic updates, white pages,

weather, movie, local events and fuel price information--will be available for \$5.99 per month after a 30-day trial.

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Verizon Discontinues Hub

September 30, 2009

Verizon Wireless confirmed that it will stop selling its Hub home phone product.

The company had highlighted the Hub earlier this year as a product that could bridge wireless and wireline networks, and even said in April that it would add an application store to the product to broaden its appeal. However, the efforts apparently were not enough to save the gadget. "Verizon Wireless, like many companies, continually changes and updates the products and services it offers to customers," Verizon Wireless spokeswoman Debi Lewis told *FierceWireless*. "Our sales teams will continue to focus on providing our customers the latest and most innovative wireless products and services. It's important to note Verizon Wireless will continue to support existing Verizon Hub customers with post-sale service and support."

Lewis declined to comment on the specific reason why Verizon decided to discontinue Hub sales.

The Hub cost \$199 after a \$50 mail-in rebate with a two-year agreement, and cordless phones went for \$79.99 each. The device offered connectivity through any broadband connection and provided unlimited VoIP calling for \$35 per month. The Hub had weather widgets, a calendar system and even provided traffic updates, and also connected to Verizon Wireless services, allowing customers to access VZ Navigator, Chaperone and VCast entertainment content.

<http://www.fiercewireless.com>

MetroPCS and Virgin Mobile USA in Court Over MetroFLASH

September 30, 2009

MetroPCS and Virgin Mobile are currently in a court battle over the popular MetroFLASH CDMA handset unlocking service offered by the regional carrier.

Virgin initially filed legal motions after discovering that the MetroPCS MetroFLASH service was allowing Virgin Mobile customers the ability to take them to MetroPCS locations with MetroFLASH for use on their network. As Virgin Mobile heavily customizes and subsidizes handsets for use on its service, the carrier recovers handset subsidies through its customer base.

For its part, Virgin has demanded MetroPCS cease offering MetroFLASH due to its belief that it prevents the company from recovering subsidies on its handsets. MetroPCS has countered with its own claims disputing

Virgin Mobile's case, with one claim already dismissed by judge Sidney Fitzwater and stating that Virgin may have certain rights regarding its trademarks once the phone is flashed over to MetroPCS service as it involves violations of said trademarks.

<http://www.phonenews.com>

Verizon Launches a Bevy of New Devices

October 1, 2009

Verizon Wireless announced five new devices, including its first phone running Windows Mobile 6.5 and a new netbook. The new products cut across a wide range of market segments, from smartphones to rugged devices to basic feature phones.

The most impressive of the pack is the HTC Imagio, which runs Windows Mobile 6.5. The phone has global roaming capabilities, a 3.6-inch touchscreen display, 5-megapixel camera and is the first Verizon smartphone to access its VCast Mobile TV service, which costs \$15 per month. The Imagio will be available beginning Oct. 20 for \$199.99 with a two-year contract and after a \$100 mail-in rebate.

Another big-ticket item Verizon announced is the Gateway LT2016u netbook. The netbook, which connects to Verizon's mobile broadband network, has a 10.1-inch screen, an Intel Atom N270 processor, a 160 GB hard drive and an integrated webcam. The netbook will be available starting Oct. 4 for \$149.99 with a two-year mobile broadband plan and after a \$100 mail-in rebate. The device is the latest example of Verizon's netbook effort, which includes subsidizing the gadgets and offering them in Verizon-branded stores.

Verizon also unveiled several other phones. The Samsung Razzle is a messaging phone with a full Qwerty keyboard and a 1.3-megapixel camera, and will be available online beginning Oct. 6 for \$69.99 with a two-year contract. Verizon also deepened its relationship with Nokia with the launch the company's 2705 Shade flip phone, which also will be available online Oct. 6 for \$29.99 with a two-year contract.

Finally, Verizon also announced the Motorola Barrage, a rugged device that's waterproof and features push-to-talk capabilities and a 2-megapixel camera. The Barrage is available today online and in business channels for \$129.99 with a two-year contract and after a \$50 mail-in rebate.

<http://www.fiercewireless.com>

Industry Reports

Rating the Carriers: Customer Service Showdown

September 29, 2009

Grading Carrier Customer Service				
	Store	Web	Phone	Overall
AT&T	B-	B-	C-	C+
Sprint	A-	B	B-	B
T-Mobile	A-	B+	A-	A-
Verizon	B+	C+	A-	B

T-Mobile wins with in-store assistance that (despite a rush-hour wait of 45 minutes) answered all our questions and the best web support in the bunch, thanks to speedy helpful tech support and easy online email setup for BlackBerry phones.

Our experience with Sprint in-store was helpful too. Though in-store employees couldn't answer all our questions, they were organized and considerate each step of the way and we appreciated how organized each store was, with LCD screens representing our queue positions. Also, one store employee helped us before it was even our turn.

Verizon Wireless offered solid in-store support, but employees weren't as friendly as those in other stores. It has a robust online database with answers to many questions, including interactive phone guides, but does not offer online chat support. Verizon also offered quick and accurate phone support.

AT&T lands last in our tests. Our in-store experience left us with one question out of three unanswered and we were shocked that one representative couldn't help get our email up and running (though another rep at a different store was successful). Our trial of AT&T's web support turned up similar results when one online associate told us they don't support Slacker software, and one of our phone support calls lasted 45 minutes without resolving the last of our issues.

Overall our showdown shows that given the variance in knowledge from employee to employee, you may want to take some comments made by reps with a grain of salt, or, at least, make a habit of seeking out a second opinion. Still, T-Mobile takes the kitty with the best web and phone support of the big four. AT&T, on the other hand, might have some work to do in prepping for next year.

<http://www.laptopmag.com>

A Snapshot of Tier 1 U.S. Broadband Network Deployments

September 29, 2009

The past few months have been a hubbub of activity for network providers and infrastructure vendors as the market gears up for the race to 4G. Driven by smartphone successes and increasing demands for bandwidth, the nation's top-tier carriers are in the midst of defining their stance on the race from 3G to 4G.

Verizon Wireless and Sprint Nextel early on staked out their positions on the topic, Verizon with its CDMA course correction to LTE technology and Sprint with its Clearwire-sponsored mobile WiMAX play. And AT&T Mobility and T-Mobile USA haven't disappointed, with executives from each carrier outlining their network plans for the next few years.

(Now, there's a few caveats that need to be made related to network speeds. These speeds are notoriously difficult to pin down, as they can fluctuate wildly based on the amount of available spectrum, the load on the network, the cell site's backhaul and even the users' distance from the cell tower. Thus, these speeds are in many cases rough estimates based on current usage or, in the case of HSPA+ for example, theoretical peak speeds only possible in a laboratory setting. You've been warned.)

So here's the (sure to change) market landscape;

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