

This Week's Stories

Rumor Mill: Is T-Mobile Getting Into the Netbook Game?

February 22, 2010

T-Mobile USA may soon be joining its larger Tier 1 competitors in the netbook market, according to the blog *TmoNews*, which cited an unnamed source.

The blog said the nation's No. 4 carrier will launch the Dell Mini 10 netbook at the end of March, though it did not provide a specific release date or pricing information. The Dell Mini has been a popular choice for wireless carriers. Sprint Nextel recently introduced the netbook and AT&T Mobility offers a similar version of the device.

T-Mobile has historically lagged the nation's larger Tier 1 carriers in both network buildout and Web-connected 3G devices. However, the carrier has kicked its efforts up a notch with its HSPA+ network upgrade, which it will be deploying this year. Last week at the Mobile World Congress trade show in Barcelona, Spain, the company said it will release its first HSPA+ device, the webConnect Rocket Laptop Stick, in March. The company plans to deploy HSPA+ across the breadth of its network by the end of 2010.

T-Mobile's possible entrance into the netbook market comes as no real surprise. The netbooks market exploded last year partially thanks to a variety of carriers subsidizing the gadgets in a bid to drive up mobile data revenues. Netbook shipments jumped 79 percent last year to 30.2 million units, according to a recent report by research firm Strategy Analytics, driven by growth in North America and Western Europe.

A T-Mobile spokeswoman declined to comment on the report.

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FCC Calls for Spending Up to \$18B on Nationwide Network for Public Safety

February 25, 2010

FCC Chairman Julius Genachowski said the commission's national broadband plan will call on Congress to allocate \$16 billion to \$18 billion over 10 years to help build an interoperable, public-safety broadband network--a bold effort to move forward on an issue that has stymied the FCC for years. He also said the plan would call for a re-auction of the D Block of the 700 MHz spectrum band, and said public-safety agencies should have access to all of the 700 MHz band, not just the D Block.

A day after he outlined the commission's proposals for mobile broadband, Genachowski turned his attention to public safety--an issue that has long bedeviled policy makers working to smooth communications among the nation's police, fire fighters and associated emergency workers.

"The private sector simply is not going to build a nationwide, state-of-the-art, interoperable broadband network for public safety on its own dime," he said in a speech at the FCC. "Local municipalities and states can certainly contribute some amount to sustaining any network that is built. But the bottom line is that if we want to deliver on what our first responders need to protect our communities and loved ones, public money will need to be put toward tackling this national priority."

Genachowski said the plan envisions public safety having access to the entire 700 MHz band through roaming and priority access arrangements. He said public-safety agencies could have access to as much as 80 MHz of spectrum under those kinds of deals.

He said the FCC does not want to limit the public-safety community's options, noting public safety would be able to work with any commercial operator or systems integrator under the plan.

The proposal has potentially far-reaching consequences not only for wireless carriers, but infrastructure vendors that want to supply equipment to the public-safety community as it builds out the network. Although Genachowski did not provide details, the FCC's public-safety plan could lay the groundwork for the creation of a publicly funded LTE network for public safety, built by the likes of Ericsson and Alcatel-Lucent. (Indeed, those two vendors have been tapped by Verizon Wireless and AT&T Mobility for their own LTE networks.)

And as for operators, both Verizon and AT&T's forthcoming LTE networks will be built out in the 700 MHz band, and the carriers would presumably provide roaming on those networks to any public safety effort. However, details of the FCC's plans remain unclear, as do the shifting positions of the various players. Both Verizon and AT&T have argued that the D Block be given directly to public safety on a regional basis. By contrast, T-Mobile USA, which does not own 700 MHz spectrum, has pushed for a plan to auction the D Block solely for commercial use, and then use the proceeds to build a network for public safety.

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U.S. Cellular Chief Rooney Retiring This Year

February 25, 2010

U.S. Cellular CEO John "Jack" Rooney will retire this year, the carrier's parent company, Telephone & Data Systems said. The company has not named a successor and did not provide a specific timetable for his departure, which marks the end of an era for the regional wireless player.

Rooney, 67, has been with U.S. Cellular for a decade, and has helped grow it to the No. 6 wireless carrier in the country. The company, which operates in 26 states, is one of the few remaining regional carriers left in a landscape that has seen significant consolidation over the past several years. TDS has hired executive recruiting company Spencer Stuart to look for a replacement.

TDS and U.S. Cellular also reported fourth-quarter earnings, and both reported a profit. TDS reported a profit of \$16.5 million, or 15 cents a share, up from a year-ago loss of \$168.9 million. U.S. Cellular posted a profit of \$12.4 million, a sharp swing from the \$200.1 million loss it posted in the fourth quarter of 2008.

Here's a breakdown of U.S. Cellular's key quarterly metrics:

Subscribers: U.S. Cellular had net subscriber additions of 10,000 in the quarter, an improvement from a net subscriber loss of 24,000 in the year-ago quarter, but down from the 20,000 net adds it had in the year-ago quarter. The carrier finished the quarter with 6.14 million total subscribers.

Revenue: Total revenue was \$1.06 billion, up slightly from \$1.05 billion in the year-ago quarter. Service revenues were up slightly to \$986 million.

Churn: Postpaid churn was 1.6 percent, an improvement from 1.7 percent in the third quarter and flat from the year-ago period.

ARPU: Average revenue per user was \$47.12, up from \$47.02 in the third quarter and \$46.43 in the fourth quarter of 2008.

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Product & Service News

Don't Miss a Minute of Action With AT&T's Latest Mobile TV Device

February 22, 2010

AT&T and LG Electronics MobileComm U.S.A., Inc., today announced the LG ARENA will be available online at www.wireless.att.com beginning February 26 and in AT&T stores nationwide March 7. Just over a half-inch thin with brushed and polished metal accents, the LG ARENA gives customers easy and quick access to a world of entertainment and multimedia with just a tap of a finger on a 3-inch touch screen. LG ARENA boasts super-fast web browsing on AT&T's 7.2 HSPA 3G technology. With LG's innovative 3D S-Class User Interface; music, movies, pictures and more are quickly within reach.

Customers will enjoy a crisp viewing experience on the LG ARENA with a 3-inch WVGA screen. Customers can also shoot and share photos and DVD-quality videos with ARENA's 5.0 MP autofocus camera and with multiple messaging options and access to popular social networking sites, sending and posting geo-tagged photos and videos to friends and family has never been easier.

The LG ARENA is also the latest AT&T Mobile TV-capable device to hit stores. AT&T Mobile TV subscribers enjoy around-the-clock access to full-length live and time-shifted programming from FLO TV, including content from top entertainment brands such as ABC, ABC Entertainment, ABC Family, ABC News, ABC Sports, CBS, CBS College Sports, CBS News, CNBC, COMEDY CENTRAL, Disney Channel, Disney Channel Original Movies, ESPN, ESPNEWS, ESPN 2, FOX, FOX News Channel, FOX Sports, FUEL TV, msnbc, MTV, NBC, NBC 2Go, NBC News, NBC Sports, nickelodeon, Playhouse Disney, SOAPNet and the movie channel Crackle. AT&T Mobile TV is available for \$9.99 per month, and new subscribers receive the first seven days of their subscription for free. For more information, visit www.att.com/mobiletv.

"This device gives our customers easy access to everything, from social networking sites to their favorite TV show, with just a tap of a finger," said Michael Woodward, vice president, Mobile Phone Portfolio, AT&T Mobility and Consumer Markets. "LG ARENA connects people to their world while backed by the nation's fastest 3G network."

"LG ARENA seamlessly blends advanced mobile technology, cutting edge design, and smarter features," said Ehtisham Rabbani, vice president of Marketing and Innovation at LG Mobile Phones. "With its exceptional 5MP camera, advanced GPS, entertainment features, and easy access to web and social networking sites, LG ARENA is a hard-working and sophisticated choice for both consumers and business users."

In addition, the LG ARENA boasts:

- **AT&T Mobile Browser** – combines full HTML browsing with unique customization features so customers can easily surf the global Internet; view location-aware local news and weather; and read the latest headlines from popular news, sports and entertainment sites.
- **AT&T Navigator** – offers turn-by-turn voice and onscreen driving directions, automatic rerouting, real-time traffic monitoring and more. AT&T Navigator is available for \$9.99 per month, and new subscribers receive their first 30 days of their subscription for free.
- **AT&T Social Net** – provides easy access to all your social networking sites including Facebook, Twitter and MySpace in one easy-to-use interface.

The LG ARENA will be available for \$199.99 (Pay \$249.99 and after mail-in rebate receive \$50 AT&T Promotion Card. Two year service agreement required.)

<http://www.prnewswire.com>

Nokia, LG Turning to Augmented Reality

February 22, 2010

Handset makers are increasingly looking to use "augmented reality" technology to give an edge to their smartphone applications and services. LG has said it will pre-load an augmented reality application into its newest smartphone, and Nokia is strongly hinting that the technology could find its way onto its devices as well.

The technology, which is still in early stages of adoption, overlays a user's view of the real world with 3-D graphics, giving them a real-time, interactive way of accessing spatial information. What that means is that a customer can point their camera at a building, for example, and get information about it and what might be on sale inside of it.

LG's latest smartphone running Google's Android platform, the LG-LU2300, will come pre-loaded with the technology when the device is released in South Korea in the second quarter. Additionally, Nokia's senior vice president for smartphones, Jo Harlow, said the company might look to incorporate augmented reality as a way to build on its own services offerings, such as Ovi Maps.

"Well I think what I get excited about and that you can see on the horizon are the types of things that really enhance the services that we're offering, the kinds of things that enhance the maps experience in the areas of augmented reality," she said during an interview with *Nokia Conversations*, the company's official blog. "You can see how those kinds of technologies really make that just a fantastic experience for consumers."

Nokia has dabbled with augmented reality before. Last year, the company formed a research collaboration framework agreement with the University of Southern California to study the technology.

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Mergers/Acquisitions/Partnerships

Leap Forges JV With Pocket Communications

February 23, 2010

Cricket carrier Leap Wireless and regional, flat-rate wireless provider Pocket Communications are forming a Leap-controlled joint venture that will boost Leap's position in south Texas, where Pocket has a significant presence.

At the close of the deal, Leap will control 76 percent of the new venture, which does not yet have a name. Pocket will control the rest, but Leap will manage the venture. Leap also will buy some of Pocket's south Texas assets for \$38 million. Leap spokesman Greg Lund told *FierceWireless* the companies expect the deal to close within four to six months.

Lund estimated the JV will bring operational synergies of between \$20 million and \$30 million. Leap struck the deal because of Pocket's position in the south Texas market. "South Texas is a very important market for us," Lund said. "Both companies have achieved pretty significant penetration rates. What this does is it allows us to create a stronger and more robust footprint that we feel will enable us to get more customers."

Pocket has about 320,000 customers in the south Texas region. Leap had around 5 million subscribers at the end of 2009, including around 400,000 in the south Texas region. As a result of the transaction, Pocket's customers in the area will get access to Leap's network as well as its Cricket broadband and PayGo handset offerings. After the close of the deal, Pocket will continue to provide service to its customers in New England under its own brand.

The deal comes as speculation mounts about Leap's future. Earlier this month, *Reuters* reported that Leap rival MetroPCS hired a pair of high-powered investment banking firms to advise it on a potential purchase of Leap. And that report came several weeks after the *Wall Street Journal* reported that Leap hired Goldman Sachs and formed a special committee of its board to consider various strategic options, including selling the company or merging with another carrier.

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Industry Reports

AT&T, Verizon, Cable Industry Warn FCC Against Reclassification

February 22, 2010

The nation's largest Internet service providers on Monday warned the Federal Communications Commission against any possible move that would put them more clearly under the agency's jurisdiction, saying that doing so could deter their investments in broadband networks.

The comments from AT&T and Verizon Communications come as the FCC awaits a pivotal a federal appeals court decision that could undercut the agency's authority over those companies' Internet businesses. A ruling against the agency would likely derail FCC Chairman Julius Genachowski's signature policy objectives, including open-Internet rules and the reform of an \$8 billion rural telephone fund to bring broadband access to underserved parts of the country.

Public interest group Public Knowledge has urged the FCC to classify those Internet service providers alongside telephone services, which are firmly under the agency's purview. Some analysts say that the agency would have to consider reclassification of those services in order to remain relevant as the Web becomes a primary vehicle for communication and entertainment.

But in a 14-page letter to the agency, AT&T and Verizon Communications were joined by trade groups CTIA-The Wireless Association and the National Cable & Telecommunications Association in arguing that such as move would be "extremist" and come with too many onerous rules for the fast-moving broadband services industry.

"The proposed regulatory about-face would be untenable as a legal matter, and, at a minimum, would plunge the industry into years of litigation and regulatory chaos," the companies wrote.

An FCC spokeswoman declined to comment. Genachowski's senior adviser, **Colin Crowell**, has said the FCC believes it can still win its court challenge. The case stems from Comcast's appeal of a 2007 ruling that it violated open-access guidelines that prohibited network providers from slowing or blocking select Internet sites.

The agency has argued that its authority over Internet service providers derives from its supervision of other communications services, such as cable television. In an oral hearing early last month, three judges grilled an FCC attorney over whether that "ancillary authority" over broadband Internet services was enough to rule against Comcast.

Crowell told The Post last month that if it didn't win its case, the agency would have to consider other ways options to clarify its authority over ISPs, including a reclassification of those services. Advocates of such a change urge the agency to put ISPs under what is known as Title II common carrier services. Comcast, which is seeking the FCC's approval for its merger with NBC Universal, didn't sign onto the letter.

"We'll defer comment on reclassification until the D.C. Circuit decides our challenge to the actions of the previous FCC on due process grounds," Comcast spokeswoman Sena Fitzmaurice said.

Broadband carriers said placing their services under Title II would be too restrictive.

"The commission should keep this Pandora's Box of Title II classification nailed shut," the companies said in their letters.

Consumer advocates argue the opposite. They say that previous FCC moves to ease regulation of broadband providers are now undermining the agency's attempts to address communications problems in the Internet age.

"The same lobbyists who purport to want 'Broadband for America' are now telling the FCC that the agency should not engage in rulemaking that would achieve it," said Ben Scott, policy director for Free Press, a public interest group. "The Commission must have the authority to promote universal access to affordable broadband."

<http://voices.washingtonpost.com>

Report: AT&T Network Upgrades Pay Off Big Time

February 23, 2010

If the results of PC World's second 13-city 3G Wireless Performance Test mean anything, iPhone users will be dancing in the streets of every major city in America.

In PC World's most recent tests, conducted in December 2009 and January 2010, AT&T's average download speed increased to 1,410 kbps, or 1.4 mbps. That's up almost 67 percent from AT&T's average download speeds of 818 kbps in tests conducted by PC World last spring.

The PC World 3G Wireless Performances Tests are done in partnership with Novarum. They test download speeds, upload speeds and network dependability of the AT&T, Sprint, T-Mobile and Verizon 3G networks from 20 locations in each of 13 U.S. cities. PC World says it ran more than 51,000 separate tests covering 850 square miles of wireless cell coverage servicing 7 million wireless subscribers.

AT&T's Ralph de la Vega has publicly conceded on a number of occasions that AT&T's network performance was suffering in major cities like New York and San Francisco. The carrier went so far as to launch an app called "Mark the Spot" that allows customers to report problems with AT&T's network in real time.

According to Jenny Bridges, a spokeswoman for AT&T, the carrier made significant improvements in 2009. Bridges said AT&T added about 1,900 new cell sites, more than 100,000 new circuits for backhaul and doubled the number of fiber-served cell sites.

But perhaps the most high-profile improvements were the addition of 850 MHz spectrum in a number of markets, as well as deployment of HSPA 7.2 software at all of AT&T's 3G cell towers nationwide.

"In 2010, we plan to spend between \$18 billion and \$19 billion in total capital expenditures, a 5 to 10 percent increase over 2009," Bridges said.

The investments are apparently working. In Baltimore, New York City, New Orleans, Portland and Seattle, AT&T's average download speeds more than doubled. The network's 13-city average download speed was 1.4 mbps. None of the other major networks registered average download speeds of better than 1 mbps.

To compare these results with Verizon Wireless is inevitable, in light of its never-ending 3G "map wars" with AT&T. Verizon's 13-city average download speed came in at 877 kbps, down 8 percent from its average of 951 kbps in PC World's test conducted last spring. Verizon's average download speed decreased in seven of 12 testing cities compared to the figures recorded last spring; and in five of those cities – Chicago, New Orleans, Phoenix, San Jose and Seattle – Verizon's average dropped by 15 percent or more.

Verizon topped reliability and speed in every major market last spring, but these recent test results suggest that the carrier may not be keeping up with demand in some markets. Additionally, Verizon has only recently gotten heavily into the smartphone game with new Android offerings like the Droid. At the end of 2009, Verizon reported 15 percent of its customers were using smartphones, as compared to AT&T's reports of 40 percent adoption of smartphones by its customers.

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