

This Week's Stories

Sprint to Pay Down Debt, CFO Says; Shares Climb

March 8, 2010

Shares of Sprint Nextel Corp. rose Monday after Chief Financial Officer Bob Brust told investors the telecommunications company plans to pay down its debt and continue to strengthen its balance sheet.

"(In) the next 30 months, we have about \$5.2 billion of debt coming due. Right now we plan to pay that as due, not refinance," said Brust at the Raymond James Institutional Investors Conference, according to a transcript.

He also told investors that after 10 percent declines in Sprint's revenue for each of the past two years, "this year we hope it is more stable or flattish."

Sprint was the only major U.S. wireless carrier to lose customers last year, which hurt its revenue. The company had 48.1 million customers at the end of the year, putting it in third place behind Verizon Wireless, which had 91.2 subscribers, and AT&T Inc., which had 85.1 million

Brust said Monday its postpaid, or contract, customer losses are "narrowing quite a bit," while prepaid "has gotten much stronger."

This, he added, should help stabilize revenue, and "maybe in the next several quarters, we will actually see some growth in revenue which would be the end of the turnaround."

Brust also said Sprint is trying to achieve the "leanest possible cost structure," but at the same time it must also reinvestigate revenue growth.

"Because if we just cost reduce and don't turn around the revenue, it will never end. I mean we will just end up with nothing," he said. "So we have to get this revenue going."

Shares of Sprint rose 19 cents, or 5.8 percent, to \$3.47 in afternoon trading. The stock has traded in a 52-week range of \$2.78 to \$5.94.

<http://www.cbsnews.com>

Skype Betting on Verizon Deal in U.S

March 8, 2010

Skype won't promote its newly won position in Nokia's Ovi Store in the United States. Instead, the firm will focus its

U.S. marketing efforts on its recently inked deal with Verizon Wireless.

Last week, Nokia and Skype announced with great fanfare that Skype's mobile application will be available for Symbian smartphones via a download from Nokia's Ovi Store, but many noticed that the application was not available for download on U.S. handsets. The Internet calling firm said it decided to refrain from a listing in the U.S. store in order to promote its relationship with Verizon.

"Skype has made a decision in the United States to not promote the Skype for Symbian app through the Ovi Store," Skype spokeswoman Sravanthi Agrawal told *VentureBeat*. "We did this so that we could drive more attention to the recently announced Skype and Verizon Wireless agreement. This was a marketing decision--plain and simple. Skype users in the U.S can still download Symbian by going directly to Skype.com."

Agrawal did not respond to a message seeking more information about her remarks.

Verizon and Skype unveiled their partnership at the Mobile World Congress trade show in Barcelona, Spain, last month, and Verizon plans on launching a custom Skype application for smartphones later this month. At the time the deal was announced, neither John Stratton, executive vice president and chief marketing officer for Verizon, nor Skype CEO Josh Silverman would say whether the deal was exclusive. However, Stratton said that users "won't see an application like this anywhere else in the U.S."

Verizon is the largest wireless carrier in the United States, while Nokia--the world's largest handset maker--has struggled to increase its share in the U.S. handset market.

<http://www.fiercewireless.com>

FCC to Release Broadband Plan Tuesday

March 11, 2010

The FCC's long-awaited national broadband plan will make its debut Tuesday, March 16, during an open meeting of the commission. The plan, which will be presented to Congress March 17, was originally supposed to make its debut last month but was pushed to March.

Ahead of its release, the FCC has been revealing details of the plan--and some of its key parts are already drawing intense opposition. One provision, a "Mobile Future Auction," calls for a spectrum auction that allows current licensees, including broadcasters, to voluntarily give up spectrum in exchange for a share of auction proceeds. This provision, which has drawn the ire of the National Association of Broadcasters trade group, is one element of

a plan to free up 500 MHz of spectrum over the next decade for mobile broadband use.

Not surprisingly, the wireless industry, headed by trade group CTIA, has applauded the plan's vision.

<http://www.fiercewireless.com>

AT&T CEO Unsure if LTE Will Trigger Pricing Changes

March 12, 2010

AT&T CEO Randall Stephenson said he did not know whether the advent of LTE networks would cause wireless carriers to shift to usage-based pricing for mobile data, but he reiterated his position that such a move would happen.

"I don't know what the exact trigger is," the AT&T chief said at an appearance at the Executives' Club of Chicago when asked whether LTE would give carriers an opportunity to move away from all-you-can-eat data pricing. Earlier this month at an analyst conference, Stephenson said the wireless industry is moving toward "variable pricing" where "the heavy (use) consumers will pay more than the lower consumers." As consumers continue to use more data-centric services, the concept of usage-based pricing has taken on greater urgency.

Stephenson's position is shared by executives at AT&T's chief rival, Verizon. In a recent interview with the *Wall Street Journal*, Verizon Wireless CTO Tony Melone said unlimited data pricing "is the big issue that has to change."

Apart from the pricing issue, the AT&T chief also reiterated his company's long-held position that federal regulators should take a light touch to broadband and wireless networks. "What's broken with the Internet and wireless that needs fixing by regulation?" he said, according to a text of his speech. The FCC is considering imposing net neutrality guidelines on wireless and wireline networks.

In other news, Stephenson's compensation doubled to \$29.2 million in 2009, thanks to changes in the value of his pension plan and incentive-based pay.

<http://www.fiercewireless.com>

Product & Service News

Eternal Optimist Verizon Calls iPad Launch 'an Opportunity' to Sell Some Data Plans

March 9, 2010

That's the "glass is half full" attitude we like, Verizon -- always looking for a way to sign a few more of those lucrative data contracts, no matter the circumstances!

Turns out Big Red is tipping off its staffers on how it can encourage customers to go with the WiFi-only version of the iPad and pair it up with a device like the MiFi rather than shelling out \$130 more for integrated AT&T 3G and waiting a few extra weeks. As usual, Verizon's keen on playing up the anti-AT&T sentiment it's cultivated in its recent ad campaign by openly calling its biggest competitor's 3G network "overloaded," but we see one big hangup: 5GB of data on a Verizon MiFi is going to run you \$60 a month, twice as much as AT&T will be charging for its dedicated, unlimited iPad plan. Then again, AT&T's own boss thinks WiFi's a bigger deal than 3G for this thing, so who knows -- maybe this is a zero-sum game for both of these guys.

<http://www.engadget.com>

Novothink Rolls Out Solar Surge iPhone / iPod Touch Charging Case

March 11, 2010



It's not November '09 as originally promised, but Novothink has now announced that its Solar Surge charging cases for the iPhone and iPod touch are finally available. Those will run \$79.95 for the iPhone 3G/3GS version and \$69.95 for the iPod touch version (second gen only, it seems), which are each available only in black or white at the moment (additional colors are "coming soon"), and should add between four and eight hours of talk time, or up to 20 hours of additional audio playback. That's, of course, when the charger is fully charged, but Novothink

says you can still expect to get between 30 and 60 minutes of talk time after two hours of exposure to direct sunlight.

<http://www.engadget.com>

March Madness Hits AT&T's FLO TV Service

March 12, 2010

AT&T is offering live coverage of the NCAA's March Madness through its FLO TV mobile television service. All 64 games of the Division I men's basketball championship will be broadcast on CBS Mobile, ESPN and three new channels exclusive to AT&T created by an agreement with CBS.

Coverage of the games includes the NCAA Selection Sunday show on March 14 and the opening round on March 16. The service is available for \$9.99 per month on two AT&T devices, the Samsung Mythic and the LG Arena.

AT&T is also covering the games on its AT&T Radio service, which is compatible with 40 different handsets. The radio service is available for \$6.99 a month with an unlimited data plan.

Separately, FLO TV announced that it has expanded its partnership with Turner Broadcasting to include programming from CNN, which was previously only available through AT&T. The deal allows CNN to be broadcast on FLO TV's Personal Television device and in-car entertainment systems.

"Live, breaking news is consistently a top performer on the FLO TV service, as people strive to stay connected to the world around them," said Jonathan Barzilay, senior vice president of programming and advertising at FLO TV, in a statement. "Adding CNN Mobile to additional devices with our service is a natural fit and keeps our subscribers connected to news and analysis anytime, anywhere."

<http://www.wirelessweek.com>

Industry Reports

How Callers Rate the Carriers

March 9, 2010

Verizon leads the pack. AT&T is No. 2. T-Mobile and Sprint bring up the rear

There's bad news for Apple and not such great news for Palm in a BrandIndex consumer survey published Tuesday by YouGov. Both firms originally tied their

cellphones to exclusive U.S. carriers — AT&T and Sprint, respectively — neither of which scored particularly well in terms of quality, value and customer satisfaction. (Palm has since added Verizon as a carrier; the iPhone, alas, is still exclusive to AT&T.)

Every weekday for the past 12 months, YouGov interviewed 5,000 Americans from an online panel of 1.5 million. For this survey, respondents were asked to rate the four major U.S. cellular carriers on a scale of +100 to -100 on three criteria:

- QUALITY: "Is it high quality or low quality?"
- VALUE: "Does it give good value for what you pay?"
- SATISFACTION: "Are you a satisfied customer?"

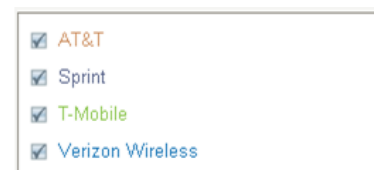
The results, averaged over the past year, look like this:

BrandIndex Analysis: Wireless Service Providers: 2/26/2009-2/26/2010			
Brand	Quality	Value	Customer Satisfaction
Verizon Wireless	56.9	25.0	43.5
AT&T	38.8	8.2	28.3
T-Mobile	4.4	(5.2)	12.8
Sprint	(1.7)	(23.9)	(12.7)

Source: YouGov's BrandIndex. The margin of error is +/- 2%.

Verizon was the clear winner in terms of consumer perception, with AT&T, T-Mobile and Sprint bringing up the rear. According to YouGov, size has something to do with it.

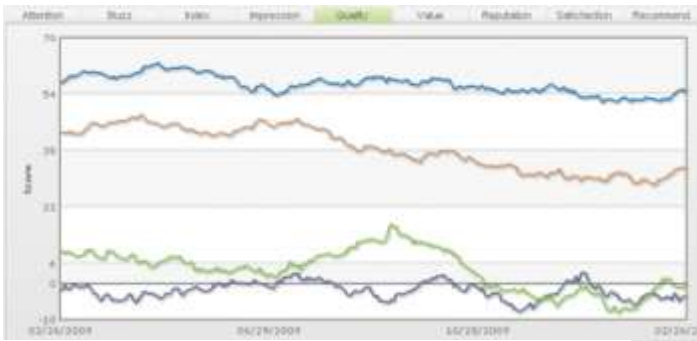
"Verizon and AT&T are the two largest service providers in terms of subscribers in the U.S., so it is no surprise that they lead the wireless pack on consumer scores," said Ted Marzilli, global managing director of YouGov's BrandIndex service in a prepared statement. "At the same time, all the major competitors rate lowest on Value, indicating that consumers are not as convinced that they are getting a good deal from any of the major players, and that should be a point of concern for them."



YouGov reports that the map wars campaign Verizon launched last fall was a "big positive" for them, a finding most visible in the "satisfaction" fever chart below. AT&T, meanwhile, took a big hit in "value" and "satisfaction," although it's shown some gains in "quality" in recent months.

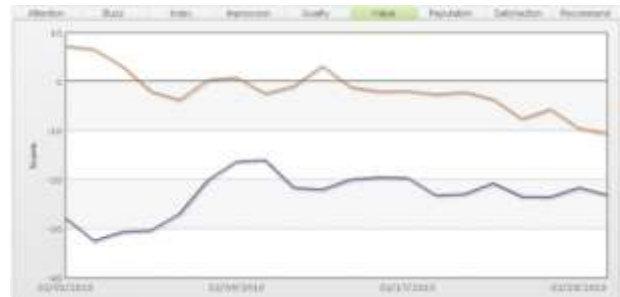
For the Week Ending March 12, 2010

Quality



8-week moving average. Source: YouGov's BrandIndex

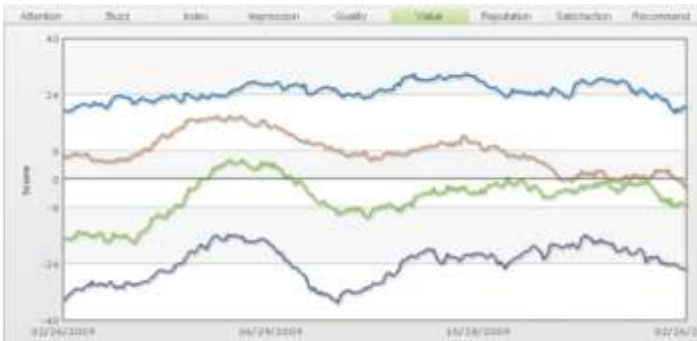
Value



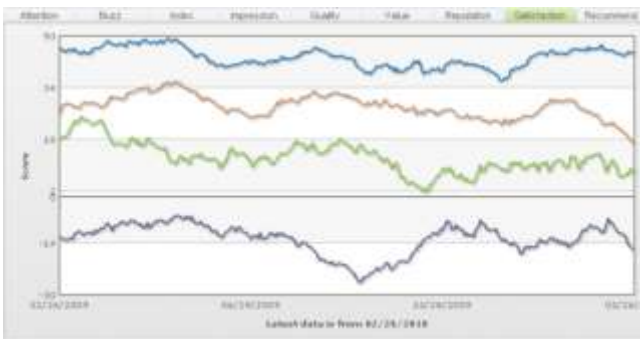
2-week moving average. Source: YouGov's BrandIndex

<http://brainstormtech.blogs.fortune.cnn.com>

Value



8-week moving average. Source: YouGov's BrandIndex



8-week moving average. Source: YouGov's BrandIndex

Looking more closely at February's data, YouGov analyst Lance Fraenkel says you can even see the effect of the recent Sprint ad campaign in which CEO Dan Hesse promotes Sprint's talk and data plans as more inclusive than its competitors'. Using a 2-week moving average, the chart below shows Sprint's "value" rating getting a bump in early February, while AT&T's falls into negative territory, a significant drop (15 to 20 points) below its yearly average.



120 Madison St. 15th Floor
Syracuse, New York 13202
(315) 470-1350
1-888-8KSRINC