

## International Telecom

China Mobile's Q1 net income increased 5.2 percent year-over-year to \$3.7 billion, helped by subscriber growth, it said Monday. But the result is the weakest Q1 profit growth in five years. The company acknowledged the impact of the economic downturn and rising competition as the wireless penetration rate matures in the country. Net subscriber growth totaled 19.91 million, compared to 21.14 million in Q4 2008. New subscribers were mainly low-end users, the company said. The company had a total of 477.16 million subscribers as of March 31.

## Telecom Notes

The FCC should stop the Universal Service Administrative Co. from charging late fees, penalties and interest against carriers that haven't underpaid the company, CompTel said in comments on a reconsideration petition by Ascent Media. Carriers that accidentally overstate interstate revenue on FCC form 499-Q, and don't realize their mistake within 45 days, must contribute to universal service based on the overstated figure or face penalties. If USAC discovers in its annual true-up process that it overcharged the carrier, it issues the company credits to apply to future invoices. CompTel said that policy isn't "commercially reasonable," because the credits don't start showing on monthly invoices until the July after filing form 499-A. "Depending on the timing of the 499-Q error, this means that it could take well over a year for the carrier to receive credits for its overpayments to USAC," it said.

Enterprise growth, not wireless, is the key to AT&T's Q1, said Bernstein Research. Wireless net additions are expected to be "good-not-great" and access line losses are expected to be "unprecedented," the firm said. Bernstein expects 913,000 wireless net subscriber additions and a 1.42 percent wireless churn rate in the quarter. It forecast 1 million consumer access line losses. But enterprise data would be a bright spot, Bernstein said. Additionally, the research firm expected solid offsetting gains from AT&T's U-verse in the quarter. It forecast some 363,000 net video additions. It also projected 712,000 post-paid wireless additions. AT&T's strong franchise in smartphones with the iPhone and Blackberry Bold would help support data ARPU growth, it said. AT&T will report earnings Wednesday.

The Alliance for Telecommunications Industry Solutions completed the first phase of its three-part IPTV standards work plan, and released five new standards to support an IPTV foundational framework, the group said. The group's IPTV Interoperability Forum, which focused on standardization of linear IPTV services during Phase 1, has already started on Phase 2, which targets interactive TV and on-demand applications. Phase 3, which is about two years away, will focus on IPTV's most demanding applications like multi-party video conferencing and next-generation gaming.

Verizon Business will offer voice, data network, cabling and managed services to Texas A&M University under a three-year, \$20 million renewal of a service agreement, Verizon said. Under separate agreements, Verizon will migrate the majority of Texas A&M's operations to VoIP, also offering improved audio-conferencing. The company is working with the university on the first phase of installing VoIP to new buildings on campus. The goal is to install 3,000 lines in a half dozen buildings this year and in about 10 more next year.

Verizon expanded its free DVR remote-control offerings to more handsets and is offering a Web-based DVR management service to all FiOS TV DVR customers, the company said. The company also launched a wireless application to FiOS TV Home Media DVR customers that will allow them to use any cellphone to remotely access their DVRs.