Updated: AT&T Races to Try to Improve Voice Network

Jason Mick (Blog) - March 31, 2010 2:15 PM

Data network is celebrated, but carrier's voice network is still drawing poor reviews

Executives at AT&T, America's second largest carrier, in mid-December committed to a 100-day plan to try to improve their network's <u>call</u> quality according to a <u>report</u> in *The Wall Street Journal*.

AT&T is already spending quite a bit more this year -- an additional \$\frac{\\$2B USD}{\$}\$ compared to last year to be exact -- to improve its infrastructure (AT&T's total spending on infrastructure was \$17B USD last year, and is budgeted to be \$19B USD this year). According to speed tests from a variety of publications -- *Gizmodo*, *PC World*, and others, AT&T already has the fastest data network of anyone in the country.

This comes largely thanks to the company making the adjustments needed to handle the <u>iPhone's</u> unprecedented level of data traffic. AT&T added spectrum, wired towers with faster connections, and pointed antennas up, instead of down, to give better reception in office towers.

Now AT&T is trying to focus on its lacking voice network. In September 2009 dropped call rates in New York City were <u>as high as 30 percent</u> for iPhone users. AT&T has contacted us on numerous occasions refuting this number, but we've heard first-hand testimonial from urban iPhone users who say it's that bad or worse in their own personal experience. Further, regardless of the exact quantity of dropped <u>calls</u>, many users we've talked to are frustrated with the call quality, another key metric.

A <u>poll</u> [PDF] by J.D. <u>Power</u> & Associates last month illustrates those gripes. Verizon scored the top marks in voice network quality, while AT&T received rather poor marks.

AT&T's 100 day plan is largely a race to remedy this. The company is trying everything it can -- laying cable at night, repositioning antennas, and even timing updates near college campuses to coincide with the low-traffic summer recess.

It faces a tough climb, though, to try to match Verizon in terms of call quality. When it comes down to it, it needs more antennas in urban areas to support its customers. And that means installing new cable -- ripping up city streets -- and convincing building owners to rent it space to put new antennas. Those kinds of things take time.

And time is in short supply for AT&T.

According to reports, Apple is working on a <u>CDMA-capable iPhone</u>, which may be ready as soon as September. According to analysts the <u>phone</u> may *not* come to Verizon until

next year, instead initially deploying to CDMA networks in Japan or South Korea. Most agree that it is an inevitability that Verizon will get the iPhone.

Some warn that AT&T may be in big trouble when that happens. States Edward Snyder, managing director of Charter Equity Research, "They haven't fixed the network and they're going to see a huge exodus to Verizon [when it gets the iPhone]."

AT&T is racing to try to narrow the call quality gap to make sure that exodus doesn't occur.

Update 1: Mar. 31, 2010 2:15 p.m. EST-

Our AT&T contact shared some details about the company's success with less destructive network upgrades (which don't require new antenna contracts or burying cable). He comments, "If you look at what we did in Austin for SXSW (adding backhaul capacity to existing sites including lots of new fiber optic connections, adding 850MHz radios to existing sites, adding in-building "Distributed Antenna Systems" at large venues)...those are also underway in big cities and can be done at a quicker pace."

Basically, these in-building antennas can help to beef up AT&T's voice call quality in big cities. It sounds like AT&T is taking this kind of deployment seriously when it comes to allocating the extra infrastructure spending.