U.S. Cellular Corp. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

[Operator Instruction] Your first question comes from Simon Flannery, with Morgan Stanley.

Simon Flannery - Morgan Stanley

Okay, thank you very much and good morning. I wonder if you could just talk about the guidance for a second. You in particular the net add guidance for wireless, you had a solid result for the first quarter and if you annualize sort of first quarter run-rates, its certainly is well ahead of where the new guidance is. So can you talk about what you see happening in the rest of the year that's caused you to pull that guidance down. Is it that results in March and April have really started to slow? Is it something else you're seeing on the economy or competition and about this stimulus package how that plays into it and then just very quickly if you could on EVDO, could you give us a sense of what percent of your pops you might cover by the end of the year with EVDO? Thanks.

Jay M. Ellison - Executive Vice President and Chief Operating Officer of U.S. Cellular

I will take the last, this is Jay, I will take your last part first and chime in a little and let Steve on the first part. On the EVDO deployment, we are? we believe we'll have approximately 40% of our pops covered sometime in the fourth quarter, at this point. We started our construction, our rollout and everything is on or ahead of schedule. So we don't anticipate any delays we might see in the launch to cover that percentage of pop.

Relative to some of the changes that Steve mentioned, in some of our markets, we are paying close attention to some of the economic drivers. In particular, in some of those markets that I referred to, like in the northeast and some of those markets that were hit very hard by winter and fuel cost. We have seen some? a bit of slowdown that, we are paying very close attention to it.

We've also seen some of those customers do? not giving up wireless but really doing some consolidation relative to their accounts and points [ph] in stiff lines where they may have been single line accounts in the feature. So I guess, we re just playing? watching those markets that we saw hard hit by the winter both from a length and the fuel cost. And we've seen some activities in our call centers that would accounts trying to really make sure they don't give up wireless but have smart spending with their cash flow.