

in this issue

1

IRS Given Go-Ahead
To Seek PayPal Info

•

eBay Unveils Express,
a New Instant-Buying
Service

2

2006 Tax Filing
Season Statistics

•

Sprint Nextel
Revenues Up,
Profits Down

3

Google Calendar
Wants to Date You

•

AT&T Adds
Akimbo VOD

4

NBC Exec:
IPTV's No Big Deal

IRS Given Go-Ahead To Seek PayPal Info

The honeymoon may be over for PayPal clients using their accounts to funnel money from offshore and avoid the Internal Revenue Service. A federal court in California granted the IRS permission to seek account information from the eBay-owned company.

The IRS' request covers PayPal transactions between 1999 and 2004, according to the Associated Press. The US tax enforcement agency is looking for Americans suspected of using foreign issued credit and debit cards in conjunction with PayPal accounts to launder money.

More specifically, the IRS has its eye on over 30 offshore financial institutions thought to be tax shelters. As reported in October by David Utter, the IRS contends that over \$40 billion in tax revenue has gone missing - most likely in counties with lax money transfer regulations and bank secrecy laws preventing US investigations.

The IRS has already obtained credit card numbers with the aid of major credit card companies but, says the AP, the numbers could not be matched with card holders. Investigators hope information supplied by PayPal will close the gap.

A PayPal spokeswoman said the eBay subsidiary was still evaluating options on how to respond to the government's request, citing customer privacy as a serious consideration

In 2005, PayPal handled over \$27.5 billion in money transfers between 100 million global account holders. ■

eBay Unveils Express, a New Instant-Buying Service

SAN FRANCISCO—eBay Inc. Monday said it is launching its previously announced instant-purchasing service to supplement bid-and-wait online auctions, pitting it more directly against online retailers.

The San Jose, California-based company said the service, known as eBay Express, aims to woo convenience-oriented shoppers interested in snap-buying decisions on fixed price products rather than its traditional online auction format.

The site, at <http://www.express.ebay.com/>, went public over the weekend and features 10 million items for sale initially, simply by tapping its existing base of eBay store sellers.

The U.S. version of eBay Express is operating in "preview mode" to give hundreds of thousands of sellers that take part in its eBay Stores affiliate program the opportunity to test out the site and consider listing their own product inventory on it. A German version of the site will be offered in the third quarter.

"We are taking this subset of eBay and marketing it in new ways to both existing eBay buyers and new audiences," Jamie Iannone, the director in charge of eBay Express said in a phone interview. ■

2006 Tax Filing Season Statistics

Washington — The Internal Revenue Service announced today the recently completed 2006 filing season set a series of records, highlighted by 70 million tax returns being filed electronically this year and home computer usage jumping 18 percent.

The jump in e-file reflected a larger increase in the use of electronic services. The IRS saw new records for in filings from home computers and the use of IRS.gov.

"We saw a surge of e-filing at the end of the tax season, particularly with people using software on home computers. Compared to recent years, we had much more e-filing in the weeks leading up to the deadline, signaling that more balance due filers are embracing this service," said IRS Commissioner Mark W. Everson. "Overall, we received more tax returns electronically this year than the number of paper returns we processed for the entire United States in 1966. E-file is changing the way the nation does taxes."

The 70 million e-file returns accepted through April 21 topped the 68.5 million electronic returns received for all of 2005. The agency expects the e-file number to increase before the close of the e-file season in October. Taxpayers who filed for extensions can use e-file until Oct. 16.

Through April 21, 2006, the IRS had received: 70 million returns through IRS e-file — up 6 percent from the same time last year.

Almost 20 million taxpayers filed from a home computer — up 18 percent from the same time last year and almost 3 million more than for all of 2005. The IRS will continue to receive returns filed from home computers until October 16.

50 million returns from tax professionals, up 9 percent from the same period last year.

By April 21, the IRS had issued 85 million refunds averaging \$2,237 per refund. More than 60 percent — 53 million — were issued through direct deposit, representing a 7 percent increase from last year. Direct deposit gets refunds to the taxpayer a week sooner than issuing a check. ■

"If you would like to have additional information please contact our financial division Premier Financial Solutions at 866-442-6334 ext. 240 or email Mike Koziol at mkoziol@intelligentsolutions.net.

Sprint Nextel Revenues Up, Profits Down

Sprint Nextel Corp. on Wednesday reported a general increase in operating revenues but acquisitions costs took a bite out of its net profits for its first quarter of 2006.

For the period ending March 31, the third-largest wireless service provider in the U.S. reported net earnings of \$419 million, compared with \$472 million during the year-ago period. Integration costs related to the merger were \$105 million, officials said.

Operating revenue was up 66 percent, \$11.5 billion compared with \$6.9 billion in the year-ago quarter. Pro forma operating revenue (which pretends the Sprint Nextel merger had happened in the beginning of 2005) was up 9 percent, from \$10.5 billion.

On the wireless side, Sprint Nextel reported pro forma net operating revenues of \$8.52 billion, compared with \$7.52 billion a year ago. The company reported 1.3 million new wireless customers for the first quarter, 20 percent of which came from MVNOs and affiliates. Of these, 563,000 were customers who pay monthly bills, 502,000 were pay-as-you-go customers under the Boost Mobile brand, and 273,000 were wholesale customers.

Sprint's average monthly revenue per user (ARPU) was \$62 for post-paid customers, down 3 percent from the same quarter a year ago; \$7 of that was for data services, a 54 percent increase from last year. ARPU for pre-paid customers in the quarter was \$36. Post-paid churn for the quarter was 2.1 percent, meaning this was the percentage of customers who switched to other carriers during the quarter. Churn among Boost customers was 5.4 percent.

"Sprint has been an aggressive price discounter, so it's no surprise if their ARPU is down, leading to lower earnings," says Phil Redman, a

research VP at Gartner Inc. .

Cingular Wireless LLC, the biggest wireless carrier in the U.S., last week reported 1.7 million new subscribers. (See Cingular Churns Out Profit in Q1.) Verizon Wireless earnings for the quarter have not yet been released.

Sprint Nextel attributed its lower revenues to the recent acquisition of several affiliates, following the merger. (See Sprint Scoops Up UbiquiTel.) Furthermore, marketing expenses were higher than usual in the first quarter because of money the company threw into Super Bowl advertising.

For the future, the company said it is on track to cover 190 million points of presence with its wireless broadband service by the end of 2006, and 220 million by the third quarter of 2007. It also plans to start rolling out the next generation of wireless broadband -- EVDO rev. A -- in 2007. Meanwhile, the company is on track to close 170 retail stores by the end of 2006, which should cut down on operating costs, officials said.

In long distance services, net operating revenue was down 3 percent -- \$1.67 billion compared with \$1.72 billion in the year-ago quarter. Officials attributed this mostly to a 39 percent drop in consumer voice revenues.

"These [numbers] are indicative of recent trends as more customers go to bundles... many of which are offered by the cable companies," said Len Lauer, chief operating officer of Sprint Nextel, during an earnings call with analysts.

For local services, net operating revenue was \$1.62 billion, up slightly from about \$1.6 billion in the year-ago quarter. Sprint Nextel plans to jettison that unit, which will operate as a new company called Embarq. ■

Google Calendar Wants to Date You



Months of waiting and leaked screenshots have finally led to the official launch, in beta, of the Google Calendar product. Google Calendar

has occupied the minds of Googlites everywhere, dutifully blogging away whenever a whiff of GCal rumors wafted into the blogosphere.

So it wasn't much of a surprise to see a pair of posts from ZDNet blogger Garrett Rogers about Google finally launching its calendar site.

After logging in with a Google Account and creating an event for this afternoon, we took the grand tour of Google Calendar. Or at least as much as we could see from the various settings and overview pages Google provided.

Basic preferences allow users to set time zones, date and time formats, calendar views, and declined event and invitation placement in one's calendar. Users can create multiple calendars, share the ones they have, or delete ones they no longer need.

Notifications from Google Calendar to its users can be delivered by email or by SMS when mobile notifications are enabled. People who want to enable mobile notification can do so from the Notifications tab; just enter a mobile number and the carrier, then enter the verification code received on the phone to finish the process.

Users with existing calendars in iCal or Microsoft Outlook can import them into Google Calendar through a simple select and upload process. Those can be imported to any of the calendars the user has created.

Additional users can be assigned rights to calendars. Specific people designated by the user may access those calendars with permission to change events, manage sharing, or simply see event details or free/busy information.

Google probably created this feature to support their Gmail for Domains clients; with Gmail for Domains, Google hosts Gmail accounts for a specific business or institution. Users in groups or organizations tend to desire not only calendars, but sometimes multiple permissions for managing a particular calendar.

Other guests can be invited to an event, and permission for those guests to invite others may be granted as well.

Event creation can be done through a simple process of clicking a desired time within a date, entering some details, and saving it. If that's too complicated, Google also provides the Quick Add feature.

Quick Add takes a natural language approach similar to that used by other calendar services like 30 Boxes. Clicking Quick Add brings up a single box, where the user can enter, "Doctor's appointment 9am Friday," click the + sign on the box, and see the event tossed into the correct date and timeframe on the calendar.

Once entered, events can be edited or deleted as needed. Events can be duplicated, or set to repeat for events like tedious weekly meetings with an overpaid, backstabbing network manager as a purely random example.

The Google Calendar works well in Firefox 1.5 and Internet Explorer 6. Its Ajax interface operates quickly, and the controls seem intuitive enough for new users to quickly grasp. ■

AT&T Adds Akimbo VOD



SAN ANTONIO and **SAN MATEO, Calif.** -- AT&T Inc. and Akimbo™ Systems today announced an agreement to offer the award-winning Internet-based Akimbo video-on-demand service to subscribers of AT&T's Homezone™ TV service, scheduled to launch later this summer. AT&T Homezone subscribers will use their converged set-top boxes to access thousands of video programs and movies.

AT&T Homezone, currently in trial in several states, will integrate AT&T Yahoo!® High Speed Internet and AT&T | DISH Network programming to provide video on demand, digital video recording, and Internet content, including photos and music, via a new award-winning set-top box. AT&T Homezone will be available to customers who purchase both AT&T | DISH Network satellite television and AT&T Yahoo!

High Speed Internet services.

AT&T plans to offer the content available from Akimbo's library of more than 10,000 television programs and movies-on-demand. Akimbo is the fastest-growing video-on-demand service in the United States, offering videos and movies from more than 165 content partners throughout the world. Each week, Akimbo adds more than 150 new mainstream and niche titles in 85 different categories, such as music, sports, independent film, anime, major motion pictures, education, children's programming and foreign language.

The service will have an online guide that enables AT&T Homezone subscribers to view a comprehensive listing of all Akimbo videos and movies. To help subscribers find videos that match their interests, the on-screen guide features a video search function, full program descriptions and video previews. Customers can also access the guide remotely from an Internet-connected computer to browse and download

programs so that new shows are available for viewing when they get home.

“Our agreement with Akimbo is yet another milestone as we prepare to launch our AT&T Homezone service — an entertainment service that we believe will be more powerful and compelling than anything offered in the market today,” said Scott Helbing, chief marketing officer-AT&T Consumer. “Consumers want better solutions and more choices for entertainment, and we’re committed to delivering that.”

“AT&T’s innovations are legendary, and the Homezone service follows this tradition,” said Joshua Goldman, CEO of Akimbo Systems. “As the first Internet video-on-demand service for TV, Akimbo is delighted to work with AT&T on its groundbreaking Homezone initiative to bring people the best in communications and entertainment, wherever they may be.”



at&t

NBC Exec: IPTV's No Big Deal

LAS VEGAS -- NAB 2006 -- Broadcasters see IPTV as a new distribution channel they should play in, but many don't regard the technology as inherently better or more profitable than cable or satellite TV.

Such is the overriding point of view expressed here as executives from the broadcasting and IPTV industries sit on panels with evangelists for mobile, broadband, and other alternative video distribution models.

“I look at it as an additional distribution channel that is coming into play,” NBC Universal VP of Technology Standards, Policy, and Strategy, Glenn Reitmeier told Light Reading. “Traditionally we had cable, then we had satellite come in as a competitive platform, and now we're seeing this third kind of platform for multi-channel and on-demand kind of content.

“I think it has a lot of capacity. But I'm not sure there's anything there that's particularly relevant to broadcasters.”

During the panel itself, Reitmeier seemed much more concerned about the danger of P2P piracy than about the opportunity of next-generation distribution networks.

Gray says broadcasters have become used to a unidirectional distribution

process where content is sent downstream and no feedback comes back from the consumer. He believes they need to think outside the (cable) box. “You've got this wonderful two-way plant -- [they've] got to think bi-directional. Don't think about what the cable operators have had to do all these years with what is really a unidirectional plant,” Gray told Light Reading.



Many believe that IPTV's payoff for the broadcasters and their distributors will come in the form of ad revenue. The IP video network's interactive nature promises the ability to target advertising to consumers based on consumer viewing habits, and track the effectiveness of specific advertising spends.

“You know it's that old saying where you know half of your advertising dollars are being wasted, you just don't know which half -- well here you have a way to track it,” Digeo Inc. COO Greg Gudorf told Light Reading. Gudorf said consumers also might feel better served if advertisers know more about them their likes and dislikes: “I don't mind watching ads if they're the ads I want to watch.”

Digeo's Moxi product is a “digital media center” that brings together the viewer's VOD content, broadcast channels, photos, music, and gaming all in one interface. Most of the Digeo's business is with cable companies today, but Gudorf says trials are underway with some small telco TV players.

Kasenna's Gray adds that folks in the broadcast industry aren't entirely to blame for the misunderstanding of IPTV. “The operators themselves are just now coming to grips with it, but the content providers -- they really haven't gotten it,” he told Light Reading.

The growing IPTV industry commands an even bigger presence here at the NAB show this year than it did last year, but the broadcast industry's perception of the new distribution channel doesn't seem to have changed much in the meantime. ■