AT&T gained a net 187,000 customers on contract-based plans in the January to March period, but these were almost all tablet users, brought in by the launch of the new iPad in March.

NEW YORK (AP) -- Hidden in AT&T Inc.'s financial statements is a story that runs counter to its optimistic profit projections: The company is making less and less from each new Calculations by the Associated Press, based on AT&T's public statements, indicate that the average monthly bill for its smartphone subscribers has fallen from $88 to $80 in the space of a year. That number should be of great concern to Dallas-based AT&T, because like most big phone companies, it is struggling with a slowdown in new subscribers. Nearly all adults -and many kids- in the U.S. already have cellphones. AT&T's executives have been touting smartphones as the solution, since the devices require consumers to pay for data use in addition to voice calls. Smartphone subscribers, therefore, pay more. So moving customers from regular phones to smartphones will keep boosting revenue, AT&T has said.

But an analysis of AT&T's own figures indicates that smartphone bills have shrunk by 9 percent over a year, challenging the company's picture of long-term revenue growth.

The Associated Press' calculations are based on various figures AT&T makes public -and a bit of high-school algebra. The company doesn't disclose the average smartphone bill, but says it's 90 percent higher than the average non-smartphone bill. AT&T reveals the number of smartphone and non-smartphone subscribers, and the average monthly bill for a contract-based plan, which is $64.46. Together, these numbers allow for an approximate calculation of the average smartphone bill.

AT&T did not explicitly confirm the calculations, but its chief financial officer, John Stephens, said that the composition of new smartphone customers is changing. The early smartphone adopters were business people and others willing and able to pay high monthly fees. Now, AT&T and other phone companies are going after people who can't pay as much.

"We go after the biggest spenders at the start, that's natural economics," he said.

But even these lower-paying customers are profitable, he said, because they use the network less.

In a more typical projection, Ralph de la Vega, the head of AT&T's wireless division, told analysts Tuesday that demand for wireless data is going to continue to drive an increase in monthly bills.

"Quite frankly, it's hard for us to see a cap on that," de la Vega said.

Bills for non-smartphone subscribers on contract-based plans are shrinking at about the same rate. Only by shifting these subscribers to smartphones has AT&T been able to keep its average monthly bill for contract-based plans rising, by 1.7 percent from a year ago.

AT&T, the country's largest telecommunications company, reported first-quarter results Tuesday morning, showing that that it essentially gained no phone subscribers on contract-based plans in the first quarter. That's only happened once before: A year ago, when Verizon launched its version of the iPhone.

Contract-based plans are by far the most lucrative for a phone company, and the number of new customers is an important measure of growth.

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