

DISRUPTING RURAL WIRELESS

HOW A **T-MOBILE TAKEOVER**
HARMED CONSUMERS AND
SMALL BUSINESSES IN IOWA

FEBRUARY 2019

A REPORT BY

CWA

CWA-UNION.ORG

Executive Summary

IN JANUARY 2018, T-MOBILE ACQUIRED IOWA Wireless Services (iWireless), a regional carrier that provided postpaid and prepaid wireless service to approximately 75,000 customers in Iowa, western Illinois, and eastern Nebraska.¹ Prior to the acquisition, iWireless had one of the largest retail footprints of any wireless carrier in Iowa, with 129 corporate and authorized dealer locations.² iWireless was notable for its rural presence and for its affordable and flexible prepaid plans. Following the acquisition, T-Mobile retired the iWireless brand and discontinued the iWireless network in October 2018.³ T-Mobile also closed iWireless' two customer service call centers and 86 percent of iWireless' retail locations.⁴

Understanding T-Mobile's takeover of iWireless is especially important given its proposed merger with Sprint. T-Mobile and Sprint claim the proposed merger will benefit rural communities and argue that this is a key reason for regulators to approve the deal.⁵ In this context, the iWireless case provides a recent natural experiment that demonstrates T-Mobile's strategy with regard to rural business partners and customers. CWA conducted an in-depth analysis of the iWireless acquisition, including interviews with people who experienced its effects directly. Our conclusion is that T-Mobile's takeover of iWireless had negative effects on small businesses and wireless customers, especially those in rural areas and small towns.

Our analysis found adverse effects for the following key groups of stakeholders:

Rural customers: T-Mobile's decision to close most of iWireless' retail locations impacted rural customers the most. iWireless' rural retail locations provided convenient access to sales and basic technical support to customers who would otherwise have to drive long distances to the nearest wireless store. Physical retail is important in the wireless industry where, as of 2017, close to 90 percent of mobile phones were purchased at brick and mortar stores.⁶ Prior to the acquisition, iWireless operated approximately 38 percent of all wireless retail locations in Iowa's FCC Rural Service Areas (RSAs) and 67 percent of locations in places with a population of fewer than 2,500 residents.⁷ Despite having a year to prepare for the transition, T-Mobile has yet to open a single T-Mobile-branded store outside of Iowa's urban areas.⁸

Prepaid customers: T-Mobile prioritized the retention of postpaid over prepaid customers. As part of the transition, T-Mobile did not provide any incentives to iWireless' prepaid customers to become T-Mobile or Metro customers.⁹ T-Mobile projected that it would retain only 17,000 out of 75,000 iWireless customers, of whom 4,000 would be prepaid.¹⁰ The small number of prepaid subscribers is notable given that several dealers interviewed by CWA reported that prepaid customers made up the majority of their customers.¹¹ One dealer reported that they were instructed to share information about the transition with postpaid customers only.¹² iWireless' prepaid plans were more flexible than those offered by other prepaid carriers because they allowed customers to purchase plans at 3-, 7-, 15- and 30-day intervals.¹³ In contrast, Metro by T-Mobile only offers 30-day prepaid plans.¹⁴

Small business owners: T-Mobile closed 90 percent of all iWireless locations operated by authorized dealers, who were generally small business owners or local telephone operators.¹⁵ Some of the authorized dealers contacted by CWA reported that they had just a few days' notice before they had to cease sales and surrender their iWireless inventory.¹⁶ Some authorized dealers from rural areas reported that they received no support or compensation for helping iWireless customers transition to T-Mobile services. In one case, T-Mobile representatives asked a former dealer whose store was over 130 miles from the closest T-Mobile store to help some of his customers that transitioned to T-Mobile, which he did without compensation.¹⁷ Most of the iWireless authorized dealers contacted by CWA reported that they would have wanted to remain as a T-Mobile or Metro authorized dealer after the transaction, but T-Mobile did not give them the opportunity to do so.¹⁸

Postpaid customers: iWireless' postpaid service plans were less expensive and higher quality than T-Mobile's plans. iWireless' least expensive unlimited plan for a single line was approximately 23 percent less expensive than T-Mobile's ONE plans.¹⁹ Unlike T-Mobile, iWireless' unlimited plans did not throttle high-speed data or limit video streaming quality.²⁰

As a natural experiment, the iWireless case study suggests that T-Mobile's rhetoric about its commitment to rural communities is in direct contradiction with its handling of the iWireless acquisition.



[T-Mobile] left us out in the cold. I don't like that, I don't like it for myself, and I don't like it for my customers, because they matter. When you rip the carpet out from underneath them and they're freefalling, that's not cool. That's just not the way you do it. They could have just closed one door and immediately opened another one and say, 'Here is T-Mobile now. You're covered just like you would be with iWireless.'

SHELIA HALL

*Former iWireless authorized dealer from Iowa Falls.*²¹

iWireless Background

iWireless’ predecessor was formed in 1997 as a joint venture between Western Wireless Corp. and Iowa Network Services (INS) Inc. to expand wireless personal communications services throughout Iowa.²² Iowa Network Services was a consortium of 128 independent telephone companies that eventually became part of the INS Family of Companies, a business services company that rebranded itself as Aureon in 2016.²³

iWireless service was initially marketed under Western Wireless’ VoiceStream brand, which Deutsche Telecom acquired and rebranded as T-Mobile in 2001.²⁴ Due to the partnership with INS, Deutsche Telecom and INS rebranded VoiceStream Iowa as Iowa Wireless.²⁵ As part of the partnership, T-Mobile provided service to iWireless customers who roamed outside of iWireless’ network and iWireless provided service to T-Mobile customers in Iowa.²⁶ T-Mobile announced the iWireless acquisition in September 2017 and completed the acquisition in January 2018.²⁷

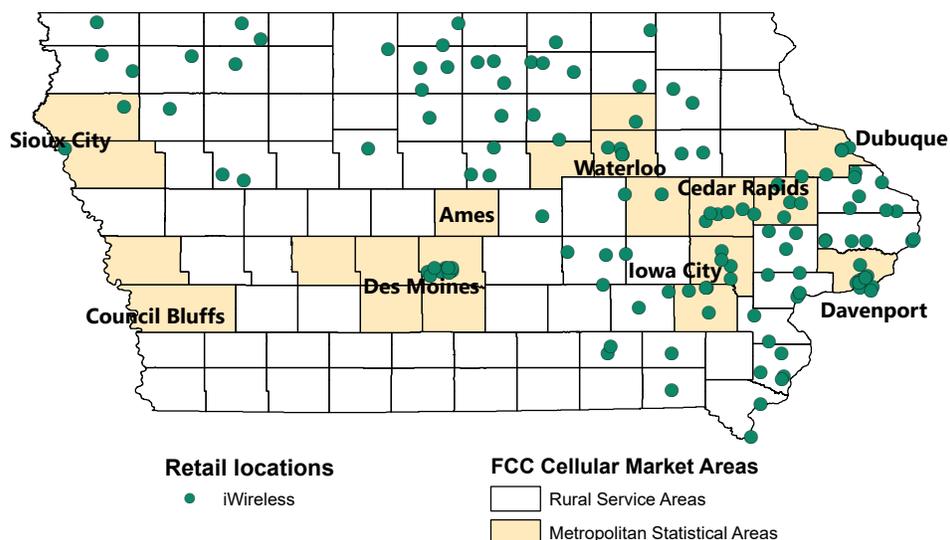
Prior to the transaction, T-Mobile held a 54 percent equity interest in iWireless that gave it “significant influence, but not control” over the smaller company. iWireless operated as an independent affiliate with its own services and features that were distinct from those offered by T-Mobile.²⁸ Following the transaction, T-Mobile recorded the value of iWireless’ assets at \$106 million.²⁹

iWireless in rural Iowa

Prior to its integration with T-Mobile, iWireless had a strong retail presence in rural communities in the eastern and northern parts of the state. At the time of the transaction, iWireless operated approximately 38 percent of wireless retail locations in Iowa’s FCC Rural Service Areas (RSAs), the most of any wireless carrier. In contrast to other carriers, whose rural stores are predominantly located in larger rural towns, iWireless operated two-thirds of wireless retail locations in places with a population of fewer than 2,500 residents.³⁰

FIGURE 1

Map of iWireless locations as of October 2017.³¹



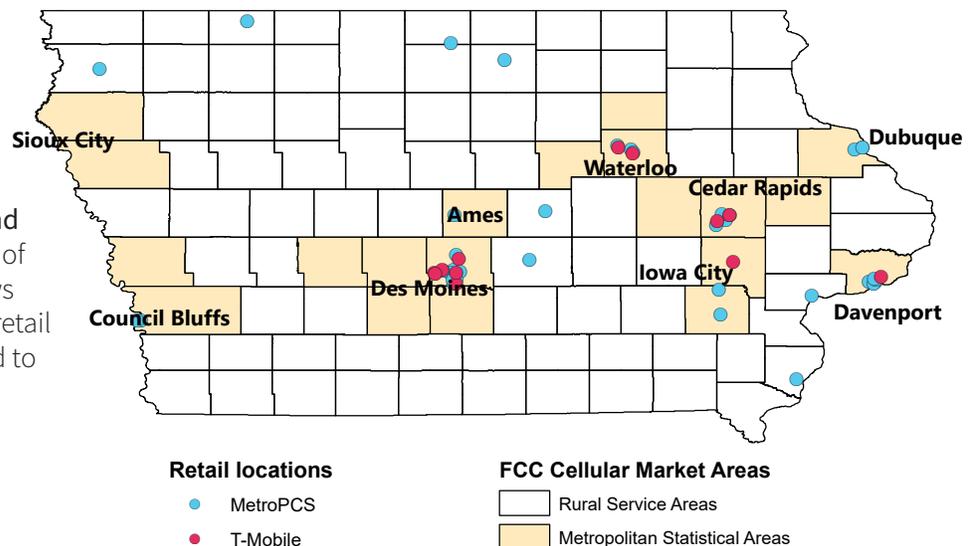
iWireless authorized dealers began shutting down in late 2017, prior to the completion of T-Mobile’s acquisition.³² After the transaction, approximately 27 dealers remained open until August 2018, when all iWireless locations and authorized dealers ceased operations.³³ Of the 129 iWireless retail locations at the time of the transaction, T-Mobile converted 18 stores to its retail brands (6 T-Mobile and 12 Metro) and closed 111 locations, approximately 86 percent of former stores and authorized dealers.³⁴ In addition to the retail location closures, T-Mobile also closed iWireless’ call centers in Des Moines and Cedar Rapids on September 30, 2018 and laid off at least 27 workers.³⁵

Despite having a year to prepare for the transition, T-Mobile’s network of T-Mobile and Metro-branded stores is only about half the size of iWireless’ retail footprint prior to the transac-

tion. As of January 2019, T-Mobile operated 50 stores and authorized dealers, 12 T-Mobile stores and 38 Metro stores in Iowa.³⁶ Unlike iWireless, T-Mobile’s retail operations are concentrated almost exclusively in the state’s urban areas. As of January 2019, there are no T-Mobile-branded stores in Rural Service Areas and only eight of Metro’s 38 stores are located in RSAs. As of January 2019, there are an estimated 550,000 Iowans living in RSA counties that were previously served by at least one iWireless location and now have zero T-Mobile or Metro stores.³⁷ On average, former iWireless locations in rural areas are approximately 30 miles or a 36-minute drive from the closest Metro store, and 64 miles or a 68-minute drive from the closest T-Mobile store.³⁸ Approximately one-third, 32 percent, of former iWireless locations in rural areas are more than 75 miles, nearly a two-hour drive from the closest T-Mobile store.³⁹

FIGURE 2

Map of T-Mobile and Metro locations as of January 2019 shows T-Mobile’s smaller retail footprint compared to iWireless.



Impact of T-Mobile's acquisition of iWireless

Rural Customers

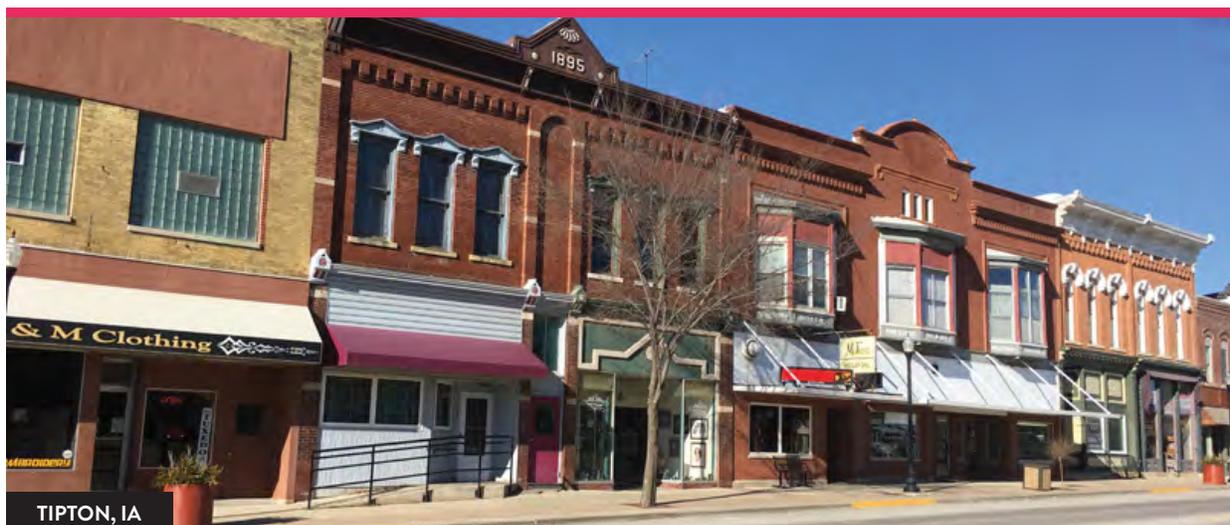
T-Mobile's decision to terminate most of iWireless' authorized dealers left many communities without convenient access to wireless stores where customers could purchase or upgrade devices, seek advice on service plans, and get basic technical support. Despite the growth of e-commerce and online shopping, brick and mortar retail continues to play an important role in wireless, with U.S. consumers purchasing nearly 90 percent of mobile phones at physical stores in 2017.⁴⁰ Physical retail is especially important to elderly citizens, who generally prefer to purchase items in-store rather than online, and to low-income customers, who generally have a higher propensity to shop in-store compared to higher-income consumers.⁴¹ The residents of rural counties tend to be older and poorer than in urban counties, making physical stores an important element of rural access to wireless telephone and internet services.⁴²

Prior to the transaction, iWireless had stores in 48 different rural communities across Iowa where no other wireless carrier had a retail location.⁴³ While residents of some of those communities may be able to purchase wireless services from big-box retailers such as Walmart, the closure of those iWireless authorized dealers left a void that big-box retailers cannot fill. Local dealers provide more personal and higher-quality service than big-box re-sellers.⁴⁴ The importance of carrier stores over big-box stores was acknowledged by Sprint's former chief service officer, Bob Johnson: "When customers really want hands-on, quality service, they're going to look for the Sprint shingle."⁴⁵

Sarah Crock, a former iWireless authorized dealer from Tipton, a rural community of about 3,200 residents in eastern Iowa, exemplifies the value that local authorized dealers provided to rural communities.⁴⁶ Ms. Crock ran her iWireless dealership out of the office where she and her husband operate an insurance agency and a real estate agency. Ms. Crock stated that although iWireless was not a significant source of revenue for her business, her iWireless dealership was "much-needed" in the community.

According to Ms. Crock, her clients were very upset over the loss of iWireless. Once she stopped selling iWireless services, the only choice for customers that did not want to travel out of town was Walmart. "Some of [my former customers] that I've talked to have been forced get smartphones at Walmart, where they have no customer service locally. There's no way to go in and get help with the phone or nothing. That's forced [my former customers] to drive out of town to wherever to take up a different company."⁴⁷ The closest T-Mobile store to Tipton is located in Iowa City, about 32 miles away.⁴⁸

Ms. Crock also reported that there are group homes in Tipton that support adults with developmental disabilities and the transition was "a nightmare" for some of them, due to lack of transportation. Ms. Crock stated that after she stopped selling iWireless services, some of her former customers from the group homes were unable to go to other wireless retail locations because they didn't have transportation. "It's things like that that made somebody local so vital for people with disabilities that needed something right here," Ms. Crock added.



Heath Heimer, a former iWireless authorized dealer from Garner, told CWA about the value that local authorized dealerships like his provided: “a lot of people don’t like the fact that they have to drive out of town to get support or help. They like the small local guys like me, where they knew me, and they knew who they were dealing with, and what type of service they were going to get. So, me being independent and self-employed, you kind of care more than when you’re working for somebody else and I always kind of helped them out and made sure they were treated well.”⁴⁹ Mr. Heimer used to operate his iWireless dealership out of his computer repair shop in Garner, a rural community with about 3,000 residents located in northern Iowa.⁵⁰

Rural customers transitioning to T-Mobile

T-Mobile’s decision not to re-open stores in rural areas was especially challenging for former iWireless customers that transitioned to T-Mobile’s postpaid services. To incentivize iWireless postpaid customers to sign up for T-Mobile’s postpaid services, the company offered 20 percent off its T-Mobile ONE plans and equip-

ment installment plan balance forgiveness for customers that ported their accounts to T-Mobile.⁵¹ In order to take advantage of the offer, customers had to go to a store or call a toll-free number.⁵² However, going to a physical store was impractical for most rural customers as there are no T-Mobile-branded stores outside the state’s urban areas. The average distance between former rural iWireless locations and T-Mobile-branded stores is approximately 64 miles or a 68-minute drive, though some locations are over 100 miles from the nearest T-Mobile store.⁵³

Jason Chase, a former iWireless authorized dealer and mayor of Rock Rapids, a rural community in northwest Iowa, told CWA that the lack of local stores forced many of his former iWireless customers to come to him for help with switching to T-Mobile service. “You’re handing an older person a piece of paper and telling them to call a number and order a new SIM card to put in a phone. They don’t even know what a SIM card is. They don’t know how to take the battery off,” stated Mr. Chase. “So the fact that they think that those customers could handle it was not cool, especially when there was no [local] store for support.”⁵⁴

The closest T-Mobile-branded store to Rock Rapids is located in Mankato, Minnesota, approximately 137 miles from Rock Rapids; the closest T-Mobile store in Iowa is located in the Des Moines area, approximately 250 miles from Rock Rapids.⁵⁵ Mr. Chase contacted T-Mobile to inquire about becoming a dealer and told the company about his concerns regarding the lack of local stores. “The best they can say is they’re opening stores in the Cedar Rapids and Des Moines areas. When we expressed our concern with that, being that it’s five hours each way to get to a store, they didn’t have an answer for us,” said Mr. Chase.⁵⁶

Mr. Chase also told CWA that due to the lack of local stores, T-Mobile representatives asked him to help some of his former iWireless customers with SIM card installation or setting up phones. “There was no [local] store for support. After we were no longer an [iWireless] agent, T-Mobile actually sent customers in to have us help them put SIM cards in or get things set up. When I talked to them, they said ‘Would you do this?’ and I’m like, ‘I’ll do it because it’s my customer, but I’m not happy that you’re asking me to do it, when you wouldn’t ask us to be an agent location,’” stated Mr. Chase. “We did help our customers because that’s what you do in a small town, but it’s just really frustrating that you’re helping them, but not getting any reimbursement on it.”⁵⁷ Like Mr. Chase, other former iWireless authorized dealers from rural areas also reported that they helped some of their iWireless customers transition to T-Mobile without any compensation from the carrier.⁵⁸

Customers with technical issues that were more complicated than switching a SIM card or setting up a phone had no option but to drive the long distances to go to a T-Mobile store. Shelia Hall, a former iWireless authorized dealer from Iowa Falls, switched her personal and business phone lines to T-Mobile. Ms. Hall told CWA that her husband’s phone started calling and texting random numbers after switching from iWireless to T-Mobile service; the phone’s double-SIM feature also stopped working after they switched their service. Ms. Hall, who reported “loving” iWireless services before the transaction, said that she twice made the 100-mile round-trip to Waterloo to get customer support at a T-Mobile store.⁵⁹

Prepaid customers

The loss of iWireless had a disproportionate impact on prepaid customers. iWireless’ prepaid plans offered flexibility not offered by other prepaid carriers. Most notably, iWireless allowed prepaid customers to buy service at 3-, 7-, 15- and 30-day intervals, which provided flexibility to low-income customers who may not have been able to afford to purchase service at 30-day intervals. As of January 2019, none of the major carriers in Iowa make this option available to customers.⁶⁰

“They could get three days, they could get seven days, they could choose how many days they wanted to pay for,” stated a store manager at a former iWireless authorized dealer in Muscatine.

“They didn’t have to pay for 30 days or a certain amount of minutes. Most places require you to do a 30-day on prepaid. iWireless didn’t. And a lot of our customers who live paycheck to paycheck, even though it costs them more to go weekly or biweekly, that’s how they had to make it work, and that’s what they really enjoyed about the service that they were getting from us.”⁶¹

Kyari Shipp, a store manager at a former iWireless authorized dealer in Waterloo that now sells Boost Mobile products, expressed a similar sentiment. “A lot of our customers didn’t have very much money,” said Ms. Shipp. “Even now that we don’t carry iWireless, and we haven’t carried them for almost six months, people still come in and they’re like, ‘I want to put a couple days on my phone.’ And I can’t do that anymore for them.”⁶²

In addition to less choice, consolidation of T-Mobile’s and Sprint’s prepaid brands could impact prepaid consumers more broadly. Christopher Shumaker, a former iWireless authorized dealer who currently runs a Boost Mobile authorized dealer out of his pawnshop in Davenport, told CWA that he believes consolidation in the prepaid market could reduce the pressure on prepaid carriers to offer port-in specials, which allow customers to get equipment at discounted prices or get other perks. According to Mr. Shumaker, “all three of the majors are doing those specials. If three of them become two, now there’s less competition, there’s less requirement for them to run those sorts of specials.”

Mr. Shumaker added that he thinks consumers will probably see a pretty significant increase in the cost of purchasing new phones if those port-in promotions dry up.⁶³

T-Mobile’s handling of the iWireless acquisition suggests that T-Mobile prioritized the retention of postpaid customers over prepaid customers. T-Mobile did not offer any special incentives for prepaid subscribers to switch to Metro or T-Mobile’s prepaid plans.⁶⁴ Moreover, multiple iWireless authorized dealers expressed frustration with T-Mobile’s lack of support and communication to iWireless’ prepaid customers during the transition. “It was really hard for me to communicate to the customer what they were supposed to be doing, or how I could help them. At many times, it was really frustrating for me to the point I wanted to quit my job,” said Ms. Shipp. “It was just customers yelling at me, and I didn’t have any answers for them because T-Mobile or iWireless, neither one of them had provided me with the answers.”⁶⁵

The employee at the authorized dealer in Muscatine told CWA that while they did receive some flyers to pass to customers, their iWireless agent instructed them to share them with their postpaid customers only.⁶⁶ “Our representative had told us over the phone that the flyers were only to go to postpaid customers, and only them. We weren’t to give the information to prepaid customers,” said the employee.⁶⁷

T-Mobile’s filings with the Security and Exchange Commission suggest that the company only expected to retain about 22 percent of iWireless customers, 13,000 postpaid and 4,000 prepaid.⁶⁸

Although neither T-Mobile nor iWireless previously disclosed the number of iWireless' prepaid subscribers, most of the authorized dealers contacted by CWA reported that prepaid made the majority of their clients.⁶⁹ In general, post-paid customers are more valuable to wireless carriers because they have higher levels of usage, higher data usage and lower attrition rates, which all lead to higher levels of average revenue per user.⁷⁰

Small business owners

T-Mobile closed 90 percent of iWireless' authorized dealer stores.⁷¹ iWireless and T-Mobile started closing authorized dealers in late 2017, weeks before T-Mobile completed the transaction.⁷² Authorized dealers that remained in business after the start of 2018 could only sell prepaid time or equipment that they had prior to the acquisition.⁷³ In late June 2018, the remaining authorized dealers received a 60-day termination notice from T-Mobile notifying them of their closure on August 24.

T-Mobile has previously dismissed the impact that losing iWireless had on authorized dealers because the majority of the dealers that it terminated in August 2018 remained in business as independent retailers following the acquisition.⁷⁴ However, T-Mobile's claims hide the true impact on former iWireless authorized dealers, as the majority of iWireless dealers closed at the end of 2017 and early 2018.⁷⁵ The company's statements also dismiss the fact that the loss of their iWireless dealerships forced some of those independent businesses that remained open to lay off workers.⁷⁶

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I think it was the worst transition I've ever been a part of. There was no support on the side that built the business. The agent locations are what grew Iowa Wireless to where it was. I realize in order for it to grow, and T-Mobile would have been a good partner, but there was no thought put into maintaining the distribution channel that was there. They were just buying it solely for the footprint and really felt that they didn't have any cares for [iWireless'] distribution network.

JASON CHASE

Former iWireless authorized dealer and mayor of Rock Rapids



The entire time I was still reaching out, trying to find answers, trying to figure out what the transition was going to look like; how do we become Metro? How do we stay in business? How do we maintain our customer base? My Moline location had been open for four years. I've been an iWireless dealer [at the Davenport location] for seven years. And so, we've got a customer base built up that we want to maintain. We want to take care of our customers as best we can. In the meantime, they're not telling us anything. Finally, in June, I closed the location in Moline, just had to shutter it; just wasn't making money anymore, and it was just too uncertain. My lease was also expiring and before I was willing to sign a new lease on that location or another location. I needed some reassurances; they had none to offer.

CHRISTOPHER SHUMAKER

Former owner of authorized dealers in Davenport, IA, and Moline, IL⁷⁸

"iWireless was an important revenue stream for my small business," reported Mr. Heimer, who used to run his iWireless dealership out of his computer repair shop. "Direct sales from iWireless products and phone accessories, along with the foot traffic generated from iWireless customers accounted for about half of my business' revenue. Losing iWireless business forced me to lay off an employee, reduce the hours that I worked at my business to part-time, and get a second job. On top of the lost revenue, I was also left with hundreds of dollars of phone accessories that I cannot sell."

All of the iWireless dealers interviewed by CWA complained about the lack of communication and support from T-Mobile during the transition. Multiple dealers reported that they asked T-Mobile for information about becoming a Metro or T-Mobile dealer, but they never heard back from the company, or were told they would hear back from the company at some future, unspecified date. In some cases, rather than asking former iWireless dealers to become Metro or T-Mobile dealers, T-Mobile opened up new stores within close proximity to former iWireless authorized dealers.⁷⁷

Kyari Shipp, store manager at Stratus Communications, a former iWireless dealer in Waterloo, told CWA that prior to the transaction, her location was one of the best-performing iWireless retailers in their region and at one point employed about five workers. Ms. Shipp said they first found out about T-Mobile's acquisition of iWireless in December 2017.



“We’re closing the doors to our store. That’s the bottom line. We can’t afford to be open anymore without iWireless.”

KYARI SHIPP

Store manager at a former iWireless authorized dealer in Waterloo

Ms. Shipp said “Our [iWireless] representative told us nothing will probably happen, you will probably become a Metro PCS store. So we kind of felt like it really wouldn’t affect us very much. And then, we didn’t hear anything else about it until June or July,” when T-Mobile notified them of the iWireless termination at the end of August. Ms. Shipp told CWA that Stratus Communications applied to become a Metro authorized dealer but the company never responded.

In 2018, Stratus Communications became a Boost Mobile dealer to remain in business after losing the iWireless authorized dealer, but has not been as successful as when they offered iWireless and plans to close at the end of January. “We’re closing the doors to our store. That’s the bottom line. We can’t afford to be open anymore without iWireless,” stated Ms. Shipp.⁷⁹ T-Mobile eventually opened a Metro store three blocks from the Stratus Communications store.⁸⁰

Christopher Shumaker contacted T-Mobile multiple times because he wanted to convert his Moline store to a Metro or T-Mobile dealer, but his inquiries went unanswered. “After spending

the better part of two or three months towards the end reaching out to our iWireless representative, trying to figure out if we could become Metro PCS dealers and, potentially, even T-Mobile dealers, we got no word back and finally had to decide just to close the business. After I closed the business, within 60 days, maybe 75 days, suddenly there was a Metro PCS location that popped up in the exact same location as the store that I had just closed.”⁸¹ Mr. Shumaker was forced to lay off one employee and transfer another employee to his pawnshop in Davenport.

Postpaid customers

By shutting down iWireless, T-Mobile eliminated a carrier whose products and services were distinct and, for the lowest-cost plans, more competitively priced than those offered by T-Mobile. This impacted not only iWireless customers who may have been forced to sign up for plans that were either more expensive or provided fewer features than their iWireless plans, but also Iowa consumers in general, as they no longer have the option to purchase iWireless services.

Since at least March 2016, iWireless ran promotional pricing in most months on its unlimited plans, and customers could typically get single-line unlimited plans for \$50 per month.⁸² Consumers in Iowa no longer have the option of signing up for iWireless' less expensive plans, which were 23 percent cheaper and operated on the same network as T-Mobile.⁸³ Unlike T-Mobile's plans, iWireless' unlimited plans did not throttle data or limit video streaming quality.⁸⁴

As part of the takeover, T-Mobile did not allow customers to be grandfathered into their iWireless plans. iWireless customers that wanted to continue service had to sign up for T-Mobile or Metro service by October 1, 2018. To incentivize

customers to switch, T-Mobile offered iWireless customers 20 percent off T-Mobile One plans and equipment installment plan balance forgiveness.⁸⁶ T-Mobile only made those incentives available to iWireless' postpaid customers.⁸⁷ The 20 percent discount available to former iWireless customers leaves the T-Mobile ONE plan at \$60 dollars, which is \$3 more than iWireless customers would have paid for a single line without mobile hotspot.⁸⁸

Moreover, even if customers took advantage of the incentive, former iWireless customers are likely to lose their discounts as they upgrade phones or change plans, exposing them to significant price increases.

	iWireless Unlimited LTE (promotional pricing)	T-Mobile ONE
Cost per month	\$50	\$75
Taxes and fees ⁸⁵	\$7.90	Included in price
Average monthly cost	\$57.90	\$75
Unlimited text and calls	Yes	Yes
Unlimited high-speed data	Yes	Up to 50 GB per month
Video streaming	Did not limit video streaming quality	Limits video streaming to 480p
Mobile hotspot	No	Yes, limited to 3G speeds

Conclusion

When T-Mobile announced the iWireless acquisition, T-Mobile's CEO John Legere stated: "We've been disrupting the wireless industry for the benefit of consumers for the last five years now and customers in Iowa will be able to experience the benefits firsthand."⁸⁹ However, T-Mobile's handling of iWireless' acquisition ended up hurting former iWireless authorized dealers and thousands of customers.

This is especially true for rural customers who no longer have access to a local authorized dealer where they could conveniently pay for wireless services and receive basic customer support. Prepaid customers lost access to an affordable service that provided flexibility not offered by any major prepaid carrier. Postpaid customers

lost access to lower-cost unlimited service plans. Lastly, dozens of iWireless dealers lost an important revenue stream and source of foot traffic, which in some cases forced them to lay off workers or close their business entirely.

The iWireless case study should serve as a cautionary tale for regulators currently reviewing the T-Mobile and Sprint merger. T-Mobile's acquisition and subsequent integration of iWireless is especially alarming given T-Mobile and Sprint's claims that rural America will benefit from their proposed merger. T-Mobile's handling of the iWireless acquisition appears to have had the opposite effect, as the company gutted a carrier that previously provided convenience and choice to thousands of rural customers. ■



Notes

- 1 See “Acquisition of Iowa Wireless” in T-Mobile Q1-2018 Form 10-Q. Available at: <https://www.sec.gov/Archives/edgar/data/1283699/000128369918000026/tmus03312018form10-q.htm> Press Release. “T-Mobile to Acquire Remaining Interest in Iowa Wireless from Aureon.” September 26, 2017. Available at: <https://www.t-mobile.com/news/t-mobile-iowa-wireless-aureon>.
- 2 In its press release on the acquisition, T-Mobile stated that iWireless had 103 corporate stores and authorized dealers. The data in this report comes from a list of 129 corporate stores and authorized dealers retrieved by data aggregator AggData from iWireless’ website on October 1, 2017. We believe that this discrepancy might be due to iWireless’ structure, which allowed some local telephone companies to contract their own authorized dealers. Former iWireless dealers from Tipton, Iowa Falls, and Garner told CWA that they were sub-agents to local telephone companies.
iWireless’ retail footprint rivaled that of US Cellular and Verizon, which operated 121 and 103 stores respectively. Our analysis excludes authorized dealers at big box stores and supermarkets, such as Walmart or Hy-Vee, because small authorized dealers and carrier stores provide customer-focused approach, with a stronger emphasis on efficiency and quality than big box stores. See: <https://www.fiercewireless.com/special-report/-mobile-retailing-flux-carriers-vs-big-box-retailers>
- 3 T-Mobile’s website for affected iWireless customers. Accessed January 11, 2019. Available at: <https://www.t-mobile.com/customers/iowa-wireless-service>
- 4 Call center closures based on phone conversation with iWireless Call Center Representative in iWireless’ Cedar Rapids Call Center, August 18, 2018 via iWireless’ customer service number at (888)-550-4497. T-Mobile and iWireless filed a Worker Adjustment and Retraining Notification Act filing on July 7, 2018 for the closure of the Cedar Rapids Call Center. Accessed January 14, 2019. Available at: <https://www.iowaworkforcedevelopment.gov/worker-adjustment-and-retraining-notification-act>
CWA analysis of store closures. This figure accounts for any former iWireless locations rebranded as T-Mobile or Metro stores as of January 14, 2019.
- 5 T-Mobile and Sprint’s Public Interest Statement provided to the FCC. June 18, 2018. Available at: [https://ecfsapi.fcc.gov/file/10618281006240/Public%20Interest%20Statement%20and%20Appendices%20A-J%20\(Public%20Redacted\)%20.pdf](https://ecfsapi.fcc.gov/file/10618281006240/Public%20Interest%20Statement%20and%20Appendices%20A-J%20(Public%20Redacted)%20.pdf)
- 6 Euromonitor International. Retrieved September 18, 2017.
- 7 CWA analysis of iWireless, AT&T, Boost Mobile, Cricket, MetroPCS, T-Mobile, US Cellular, and Verizon store data. iWireless store data acquired from AggData, which retrieved the data on October 1, 2017. Boost Mobile, MetroPCS, T-Mobile, and Verizon data retrieved from each company’s websites in September and October 2017. Cricket data retrieved from Google Places API in October 2017. US Cellular data retrieved in November 2018, though the website’s map indicates that the list of US Cellular locations was current as of May 2018.
- 8 CWA Analysis. T-Mobile retail location data retrieved January 14, 2019.
- 9 T-Mobile set up an information page for iWireless customers transitioning to T-Mobile’s postpaid service, but we did not find a similar page set up for prepaid customers transitioning to Metro or T-Mobile’s prepaid services.
- 10 “As a result of the acquisition of IWS, we included an adjustment of 13,000 branded postpaid phone and 4,000 branded prepaid IWS customers in our reported subscriber base as of January 1, 2018.” See T-Mobile Q1-2018 Form 10-Q. Available at: <https://www.sec.gov/Archives/edgar/data/1283699/000128369918000026/tmus03312018form10-q.htm>
- 11 Five of seven authorized dealers told CWA that prepaid made up the majority of their customers. CWA interviews with former iWireless dealers, January 8 to January 11, 2019. Phone conversation with Sarah Crock in November 2018.
- 12 CWA conversation with an employee at a former iWireless authorized dealer from Muscatine on January 10, 2019. The employee gave to CWA permission to quote her on this report but asked to remain anonymous because her employer did not want the business named on this report.

- 13 Archive of iWireless' No Contract Plans information page. September 29, 2017. Accessed January 11, 2019. Available at: <https://web.archive.org/web/20170919210329/http://www.iwireless.com:80/store/PlansNoContract.aspx>
- 14 Metro plans information page. Accessed January 11, 2019. Available at: <https://www.metropcs.com/shop/plans?icid=home%7Cmain%7Cshopplans>
- 15 CWA Analysis. January 2019.
- 16 CWA interviews with Heath Heimer and Shelia Hall, January 8 to January 9, 2019.
- 17 CWA interview with Jason Chase from Rock Rapids, IA on January 10, 2019. The closest T-Mobile store from Rock Rapids is in Mankato, Minnesota. See: <https://www.google.com/maps/dir/T-Mobile,+201+Sioux+Rd,+Mankato,+MN+56001/Rock+Rapids,+IA+51246/@43.7952934,-96.1850263,8z/data=!3m1!4b1!4m13!4m12!1m5!1m1!1s0x87f43a647bea8919:0x89563efa3b6b4faf!2m2!1d-93.952178!2d44.1691292!1m5!1m1!1s0x878c117053b2563d:0x9bf3cea91b20289!2m2!1d-96.1758598!2d43.4271945>
- 18 All of the dealers interviewed by CWA reported that they would have wanted to become Metro or T-Mobile authorized dealers. Interviews from January 8 to January 11, 2019.
- 19 Comparison between iWireless' Unlimited LTE plan for a single line at promotional pricing and T-Mobile's ONE plan for a single line without auto-pay discount of \$5 per month. We used the promotional pricing for this comparison because we believe that iWireless would have continued to offer its postpaid plans at a discounted rate in order to better compete with national carriers. iWireless' Unlimited LTE plan for a single line cost \$50, plus an additional 15.8 percent in taxes and fees paid by Iowa consumers; T-Mobile's ONE cost \$75 per month and includes taxes and fees. Iowa wireless taxes and fees from "Wireless Taxes and Fees Climb Again in 2018" report by the Tax Foundation. Available at: <https://taxfoundation.org/cell-phone-taxes-2018/>
- 20 iWireless unlimited plans information page. Archived on June 25, 2018. Available at: <https://web.archive.org/web/20180625182821/https://www.iwireless.com/store/PlansInstallment.aspx>
- 21 T-Mobile's phone plans information page. Accessed January 15, 2019. Available at: <https://support.t-mobile.com/docs/DOC-36931>
- 22 CWA Interview with Shelia Hall on January 9, 2018.
- 23 RCR Radio Communications Report. "Iowa team extends VoiceStream PCS." October 13, 1997.
- 24 RCR Radio Communications Report. "Iowa team extends VoiceStream PCS." October 13, 1997.
- 25 Press Release. "INS Family of Companies Announce Rebrand to Aureon." March 29, 2016. Accessed January 11, 2019. Available at: <https://www.aureon.com/blog/ins-family-of-companies-announce-rebrand-to-aureon>
- 26 "Deutsche Telekom in the USA." Accessed January 11, 2019. Available at: <https://www.telekom.com/en/company/worldwide/profile/deutsche-telekom-in-the-usa-355832>
- 27 See "IB Docket No. 00-187- Notice of Ex Parte Communications Deutsche Telecom/VoiceStream Merger." March 6, 2012. Available at: https://transition.fcc.gov/transaction/voicestream-deutsche/iowawireless_exparte030601.pdf
- 28 Press Release. "Iowa Wireless Services Changes Name to i wireless; New Name Reflects Growth of Local Wireless Company." Business Wire. January 24, 2004.
- 29 T-Mobile's website for affected iWireless customers. Accessed January 11, 2019. Available at: <https://www.t-mobile.com/customers/iowa-wireless-service>
- 30 Press Release. "T-Mobile to Acquire Remaining Interest in Iowa Wireless from Aureon." T-Mobile. September 26, 2017 (See <https://www.t-mobile.com/news/t-mobile-iowa-wireless-aureon>). See "Acquisition of Iowa Wireless" in T-Mobile's Q3-2018 Form 10-Q. Available at: <https://www.sec.gov/Archives/edgar/data/1283699/000128369918000060/tmus09302018form10-q.htm>
- 31 See "Acquisition of Iowa Wireless" in T-Mobile's Q3-2018 Form 10-Q. Available at: <https://www.sec.gov/Archives/edgar/data/1283699/000128369918000060/tmus09302018form10-q.htm>

- 29 See “Acquisition of Iowa Wireless” in T-Mobile’s Q3-2018 Form 10-Q. Available at: <https://www.sec.gov/Archives/edgar/data/1283699/000128369918000060/tmus09302018form10-q.htm>
- 30 iWireless operated 45 out of 67 wireless retail locations in FCC Rural Service Areas with a population of less than 2,500. Population figures for Urban Areas from U.S. Census Bureau’s 2012-2016 American Community Survey 5-Year Estimates Table 01003, American FactFinder, available at <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>
- 31 CWA interviews with Heath Heimer, Sarah Crock and Sheila Hall. Mr. Heimer closed his iWireless business in late 2017 or early 2018. Ms. Crock and Ms. Hall were subagents to other iWireless authorized dealers that closed in late 2017 but became direct iWireless authorized dealers and remained iWireless authorized dealers until August 2018.
- 32 CWA reviewed AggData’s list of iWireless stores listed on iWireless’ website as of October 1, 2017 and identified 28 stores that would be closing in August 2018, which coincides with the number of iWireless authorized dealers mentioned by T-Mobile and Sprint in their response to CWA’s comment to the New York Public Service Commission: “23 of were 27 iWireless authorized dealers remained in business as independent retailers or transitioned to MetroPCS authorized dealers.” See “In the Matter of Joint Application of T-Mobile, USA, Inc. and Sprint Communications Company L.P. Concerning an Indirect Transfer of Control.” Case 18-C-0396.
- 33 CWA reviewed AggData’s list of iWireless stores listed on iWireless’ website as of October 1, 2017. CWA cross-referenced authorized dealer locations against a list of T-Mobile, Metro, and iWireless stores in operation as of January 2019.
- 34 Phone conversation with iWireless Call Center Representative in iWireless’ Cedar Rapids Call Center, August 18, 2018 via iWireless’ customer service number at (888)-550-4497.
Worker Adjustment and Retraining Notification Act filing. July 7, 2018. Accessed January 14, 2019. Available at: <https://www.iowaworkforcedevelopment.gov/worker-adjustment-and-retraining-notification-act>
- 35 iWireless store location data acquired from AggData. Data retrieved by AggData on October 1, 2017. Available at: <https://www.aggdata.com/aggdata/complete-list-i-wireless-locations>
Cellular Market Areas (CMAs) are standard geographic areas used by the FCC when licensing of cellular systems. CMAs comprise Metropolitan Statistical Areas (MSAs) and Rural Service Areas (RSAs). See Federal Register, Vol 79, No 234 at 72151. December 5, 2014. Available at: <https://www.govinfo.gov/content/pkg/FR-2014-12-05/pdf/2014-28151.pdf>
- 36 CWA Analysis. T-Mobile and Metro store counts retrieved from each brand’s respective websites on January 14, 2019.
CWA Analysis. Population figures from U.S. Census Bureau’s 2012-2016 American Community Survey 5-Year Estimates Table 01003, American FactFinder. Available at: <https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>.
- 38 CWA analysis of Metro and T-Mobile stores in Iowa and neighboring states as of January 17, 2019. Driving distance and trip duration estimates calculated using Google’s Distance Matrix API on January 23, 2019.
- 39 The average distance for stores that are more than 75 miles from the nearest T-Mobile store is 1 hour and 47 minutes. CWA analysis of Metro and T-Mobile stores in Iowa and neighboring states as of January 17, 2019. Driving distance and trip duration estimates calculated using Google’s Distance Matrix API on January 23, 2019.
- 40 Euromonitor Passport Data. Retrieved September 2017.
- 41 Online shopping preferences by age group as of 2017 from BigCommerce, available from Statista. Retrieved January 16, 2019. Available at: <https://www.statista.com/statistics/242512/online-retail-visitors-in-the-us-by-age-group/>
Online shopping by income group from “Likelihood of online vs. in-store spend” in “The Great Retail Bifurcation” report by Deloitte. Available at: https://www2.deloitte.com/content/dam/insights/us/articles/4365_The-great-retail-bifurcation/DI_The-great-retail-bifurcation.pdf

- 42 Pew Research Center. “What Unites And Divides Urban, Suburban, and Rural Communities.” May 22, 2018. Available at: <http://www.pewsocialtrends.org/2018/05/22/demographic-and-economic-trends-in-urban-suburban-and-rural-communities/>
- 43 CWA analysis of iWireless, AT&T, Boost Mobile, Cricket, MetroPCS, T-Mobile, US Cellular, and Verizon store data. iWireless store data acquired from AggData, which retrieved the data on October 1, 2017. Boost Mobile, MetroPCS, T-Mobile, and Verizon data retrieved from each company’s websites in September and October 2017. Cricket data retrieved from Google Places API in October 2017. US Cellular data retrieved in November 2018, though the website’s map indicates that the list of US Cellular locations was current as of May 2018.
- 44 Phil Goldstein. “Mobile retailing in Flux: Carriers vs. big-box retailers.” *Fierce Wireless*. Accessed January 14, 2019. Available at: <https://www.fiercewireless.com/special-report/mobile-retailing-flux-carriers-vs-big-box-retailers>
- 45 Phil Goldstein. “Mobile retailing in Flux: Carriers vs. big-box retailers.” *Fierce Wireless*. Accessed January 14, 2019. <https://www.fiercewireless.com/special-report/mobile-retailing-flux-carriers-vs-big-box-retailers>
- 46 Population figure for the Tipton Urban Cluster. See U.S. Census Bureau’s 2012-2016 American Community Survey 5-Year Estimates Table 01003, American FactFinder. Available at: <https://factfinder.census.gov/-faces/nav/jsf/pages/index.xhtml>.
- 47 CWA interview with Sarah Crock on January 10, 2019.
- 48 See: <https://www.google.com/maps/place/T-Mobile/@41.7695814,-91.6908611,9z/data=!4m15!1m9!2m8!1sT-Mobile!3m6!1sT-Mobile!2sTipton,+IA+52772!3s0x87e385e6511ad44f:0x97b7e8ee7010085!4m2!1d-91.1279349!2d41.7697434!3m4!1s0x0:0xfcbfafa4547a4796!8m2!3d41.6850918!4d-91.6012573>
- 49 CWA interview with Heath Heimer on January 8, 2019.
- 50 Population figure for the Garner Urban Cluster. See U.S. Census Bureau’s 2012-2016 American Community Survey 5-Year Estimates Table 01003, American FactFinder. Available at: <https://factfinder.census.gov/-faces/nav/jsf/pages/index.xhtml>.
- 51 T-Mobile’s website for affected iWireless customers. Accessed January 11, 2019. Available at: <https://www.t-mobile.com/customers/iowa-wireless-service>
- 52 T-Mobile’s website for affected iWireless customers. Accessed January 11, 2019. Available at: <https://www.t-mobile.com/customers/iowa-wireless-service>
- 53 CWA analysis of Metro and T-Mobile stores in Iowa and neighboring states as of January 17, 2019. Driving distance and trip duration estimates calculated using Google’s Distance Matrix API on January 23, 2019.
- 54 CWA interview with Jason Chase on January 11, 2019.
- 55 The closest T-Mobile carrier store is located in Mankato, Minnesota. The closest T-Mobile store in Iowa is located in Clive, which is located in the Des Moines area. See: <https://www.google.com/maps/dir/T-Mobile,+201+Sioux+Rd,+Mankato,+MN+56001/Rock+Rapids,+IA+51246/@43.7952934,-96.1850263,8z/data=!3m1!4b1!4m13!4m12!1m5!1m1!1s0x87f43a647bea8919:0x89563efa3b6b4faf!2m2!1d-93.952178!2d44.1691292!1m5!1m1!1s0x878c117053b2563d:0x9bf3cea91b20289!2m2!1d-96.1758598!2d43.4271945>
See: <https://www.google.com/maps/dir/T-Mobile,+10201+University+Ave,+Clive,+IA+50325/Rock+Rapids,+IA+51246/@42.4574652,-96.184602,8z/data=!4m14!4m13!1m5!1m1!1s0x87ec20bdb49667b7:0x21b671c594d9f26d!2m2!1d-93.757532!2d41.6023999!1m5!1m1!1s0x878c117053b2563d:0x9bf3cea91b20289!2m2!1d-96.1758598!2d43.4271945!5i2>
- 56 CWA interview with Jason Chase on January 11, 2019.
- 57 CWA interview with Jason Chase on January 11, 2019.
- 58 CWA interviews with Sarah Crock, Heath Heimer, and Shelia Hall, January 8 to January 10, 2019.

- 59 CWA interview with Shelia Hall on January 9, 2018. Iowa Falls is approximately 50 miles from Waterloo. See: <https://www.google.com/maps/dir/T-Mobile,+University+Ave,+Cedar+Falls,+IA/Iowa+Falls,+IA+50126/@42.5057319,-93.1265996,10z/data=!3m1!4b1!4m13!4m12!1m5!1m1!1s0x87e555592e85e903:0x2e07ffd8f3e055c4!2m2!1d-92.4293441!2d42.5122591!1m5!1m1!1s0x87f1d7e5b8fe1d83:0x8972876d3545919!2m2!1d-93.2645741!2d42.5198868>
- 60 Based on the information on Metro, Boost Mobile and Cricket's websites. Accessed January 15, 2019. Available at:
<https://www.cricketwireless.com/cell-phone-plans>
<https://www.metropcs.com/shop/plans>
<https://www.boostmobile.com/plans.html>
- 61 CWA conversation with an employee at a former iWireless authorized dealer from Muscatine on January 10, 2019. The employee gave to CWA permission to quote her on this report but asked to remain anonymous because her employer did not want the business named on this report.
- 62 CWA interview with Kyari Shipp, store manager at Stratus Communications, on January 9, 2019.
- 63 CWA conversation with Christopher Shumaker on January 10, 2019.
- 64 T-Mobile set up an information page for iWireless customers transitioning to T-Mobile's postpaid service, but we did not find a similar page set up for prepaid customers transitioning to Metro or T-Mobile's prepaid services.
- 65 CWA interview with Kyari Shipp, store manager at Stratus Communications, on January 9, 2019.
- 66 CWA conversation with an employee at a former iWireless authorized dealer from Muscatine on January 10, 2019. The employee gave to CWA permission to quote her on this report but asked to remain anonymous because her employer did not want the business named on this report.
- 67 CWA conversation with an employee at a former iWireless authorized dealer from Muscatine on January 10, 2019. The employee gave to CWA permission to quote her on this report but asked to remain anonymous because her employer did not want the business named on this report.
- 68 "As a result of the acquisition of IWS, we included an adjustment of 13,000 branded postpaid phone and 4,000 branded prepaid IWS customers in our reported subscriber base as of January 1, 2018." See T-Mobile Q1-2018 Form 10-Q. Available at: <https://www.sec.gov/Archives/edgar/data/1283699/000128369918000026/tmus03312018form10-q.htm>
- 69 Five of the seven authorized dealers told CWA that prepaid made up the majority of their customers. CWA interviews with former iWireless dealers, January 8 to January 11, 2019. Phone conversation with Sarah Crock in November 2018.
- 70 Trefis. "Sprint's Postpaid vs. Prepaid Customers - Who's More Valuable." December 24, 2010. Available at: <https://www.nasdaq.com/article/sprints-postpaid-vs-prepaid-customers-whos-more-valuable-cm50639>
- 71 T-Mobile and iWireless started closing authorized dealers in late 2017, prior to completion of the acquisition.
- 72 Heath Heimer, Shelia Hall, and Sarah Crock were notified in late 2017 or early 2018 that they would no longer be iWireless authorized dealers. All three of these dealers used to be sub-agents to other iWireless dealers. Mr. Heimer ceased operations in late 2017 or early 2018. Ms. Hall and Ms. Crock became direct iWireless authorized dealers in late 2017 and remained authorized dealers until August 2018.
- 73 CWA interviews with multiple authorized dealers between January 9 and January 10, 2019.
- 74 In a response to CWA's comments to the New York Public Service Commission, T-Mobile and Sprint indicate that 23 of 27 authorized dealer stores remain in business as independent retailers or transitioned to MetroPCS dealers. See "In the Matter of Joint Application of T-Mobile, USA, Inc. and Sprint Communications Company L.P. Concerning an Indirect Transfer of Control." Case 18-C-0396.
- 75 Heath Heimer, Shelia Hall, and Sarah Crock were notified in late 2017 or early 2018 that they would no longer be iWireless authorized dealers. All three of these dealers used to be sub-agents to other iWireless dealers. Mr. Heimer ceased operations in late 2017 or early 2018. Ms. Hall and Ms. Crock became direct iWireless authorized dealers in late 2017 and remained authorized dealers until August 2018.

- 76 Christopher Shumaker and Heath Heimer reported that they each laid off one employee. Stratus Communications in Waterloo plans to close at the end of September and will result in at least one person losing her job.
- 77 Based on conversations with authorized dealers from Muscatine and Waterloo.
- 78 CWA interview with Kyari Shipp on January 10, 2019.
- 79 See: <https://www.google.com/maps/dir/325+Franklin+St,+Waterloo,+IA+50703/Metro+by+T-Mobile,+Sycamore+Street,+Waterloo,+IA/@42.5004929,-92.3383644,17z/data=!3m1!4b1!4m13!4m12!1m5!1m1!1s0x87e552e4241f313b:0x158d06f80545fcce!2m2!1d-92.3352357!2d42.502394!1m5!1m1!1s0x87e553aff022f6a5:0xa2f8b9da07f9a32a!2m2!1d-92.3370706!2d42.4985918>
- 80 CWA interview with Christopher Shumaker on January 10, 2019.
- 81 CWA interview with Christopher Shumaker on January 10, 2019.
- 82 Archive.org archived iWireless’ pricing information page in 15 out of 22 months from March 2016 and December 2017. All of the pages archived in that period show promotional pricing of \$50 per month for individual plans. Although there is a gap between December 2016 and April 2018 with no archives, iWireless most likely offered the promotional pricing during that period, as the company likely continued offering its “Truly Unlimited,” which started in August 2016 and continued until December 2017.

2016

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Info page available on Archive.org	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Promotion			Test Drive Offer				Truly Unlimited Offer					

2017

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Info page available on Archive.org	No	No	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes
Promotion					Truly Unlimited Offer		Truly Unlimited Offer					

https://web.archive.org/web/*/https://www.iwireless.com/store/PlansInstallation.aspx

- 83 As part of the partnership, T-Mobile provided service to iWireless customers who roamed outside of iWireless’ network and iWireless provided service to T-Mobile customers in Iowa. Comparison between iWireless’ Unlimited LTE plan for a single line at promotional pricing and T-Mobile’s ONE plan for a single line. We used the promotional pricing for this comparison because we believe that iWireless would have continued to offer its postpaid plans at a discount rate in order to better compete with national carriers. iWireless’ Unlimited LTE plan for a single line cost \$50, plus an additional 15.8 percent in taxes and fees paid by Iowa consumers; T-Mobile’s ONE includes taxes and fees. Iowa wireless taxes and fees from “Wireless Taxes and Fees Climb Again in 2018” report by the Tax Foundation. Available at: <https://taxfoundation.org/cell-phone-taxes-2018/>
- 84 From iWireless’ website archived May 29, 2017: “Unlimited 4G LTE plans include unlimited high-speed data.” Available at: <https://web.archive.org/web/20170529152904/http://www.iwireless.com/store/PlansInstallation.aspx>
Information on T-Mobile’s ONE plans. Available at: https://www.t-mobile.com/content/dam/t-mobile/assets/pdf/T-Mobile_Rate_Card_August_2018.pdf

- 85 On average, Iowans pay 15.8 percent of taxes and fees on their wireless service. See “Wireless Taxes and Fees Climb Again in 2018” report by the Tax Foundation. Available at: <https://taxfoundation.org/cell-phone-taxes-2018/>
- 86 T-Mobile’s website for affected iWireless customers. Accessed January 11, 2019. Available at: <https://www.t-mobile.com/customers/iowa-wireless-service>
- 87 Terms and conditions of promotion offered to iWireless customers: “20% discount on new customers’ standard price T-Mobile ONE postpaid consumer or qualifying business voice account; port-in required. Allow 2 bill cycles for discount to appear if port-in is delayed. Not combinable with some offers. Discount may not be sold.” Available at: <https://www.t-mobile.com/customers/iowa-wireless-service>
- 88 T-Mobile’s website for affected iWireless customers. Accessed January 11, 2019. Available at: <https://www.t-mobile.com/customers/iowa-wireless-service>
- 89 Press Release. “T-Mobile to Acquire Remaining Interest in Iowa Wireless from Aureon.” September 26, 2017. Available at: <https://www.t-mobile.com/news/t-mobile-iowa-wireless-aureon>.



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