

The purchase of T-Mobile by AT&T would be bad for consumers in the US for the following reasons.

Currently, T-Mobile is the only carrier that sells and supports unlocked phones. This means that any GSM phone, which is most of the phones world-wide, will work on T-Mobile's network. AT&T uses a software lock in their phones, like the iPhone, so that they can not be used on another network despite being GSM phones. This choice can be seen in only one light: an attempt to restrict consumer choice, and is an example of the kind of anti-consumer, anti-competitive behavior AT&T already exhibits, and a reason why they should not be allowed greater power in the US wireless market.

Also, T-Mobile is the only US cell provider that charges a lower fee for a contract that does not come with a phone. AT&T has incredibly high pricing (in line with Verizon, but higher than any other country in the world) which suggests collusion among the 2 largest US carriers and another reason to maintain several consumer options. In addition, AT&T's high pricing is defended by the company as hardware subsidies for consumers, allowing them to purchase new phones at a fraction of the true cost through a subsidy repaid during the life of the contract. However, AT&T's contracts that do not include hardware cost, on a minute by minute and text message by text message, the same as their subsidy containing counterparts. T-Mobile, as of this writing, offers a package for \$70/month that includes a phone and the same package, sans phone, for \$50/month, leaving the consumer with a clear idea of the cost of the hardware subsidy (\$20/month). The fact that AT&T offers no plan including data at under \$75/month indicates that they are not only colluding with Verizon to raise prices but that giving them more leverage by removing T-Mobile, one of their few true competitors, would be horrible for the US consumer. Note that, because the phones are not interoperable, Sprint and Verizon are not true competitors with AT&T, as the consumer must buy new hardware. In other countries around the world, where all wireless providers are based on the GSM standard, switching providers is a very low cost proposition, requiring only a new SIM card and agreement, not new hardware. This drives prices down and improves service. In the US the differing wireless standards act as a brake on competition, hindering subscriber movement, and ultimately leading to higher prices because companies like AT&T and Verizon do not have adequate competition. The purchase of T-Mobile by AT&T would only worsen the situation, and I urge you, even in the event that it receives your approval, to constrain AT&T with the following requirements.

1. All phones must be sold unlocked. With no remaining GSM competitor in the US, there is no need for AT&T to lock the phones to their wireless network. The only reason they do this is to enable them to charge exorbitant overseas roaming fees, because the user can not simply install a local SIM card in their AT&T-provided phone.

2. AT&T must offer "bring your own phone" plans that are cheaper for daily use than the "subsidy including" plans. The fact that they do not do this now is simply disgusting, because it means they believe their customers are too stupid to notice the dishonest pricing of non-subsidy plans.

3. AT&T must remove the false charges they currently apply for incoming text messaging. Currently AT&T charges both the sender and the receiver of a text message, a practice that has been found illegal in other countries and does not apply to any other of their services, such as phone calls or email. Text messaging has a near-zero delivery cost, and their current policies represent nothing more than rampant profiteering.

4. AT&T should institute pay-per-use options for voice minutes, rather than requiring the user to pre-pay for a block that may or may not be used and will expire if unused. This billing practice helps no one outside of AT&T, and the fact that it is the default US (but not global) standard speaks only to how poorly our wireless carriers are regulated and how poor a job competition has done to improve pricing options.

In their current position as one of the two largest US wireless carriers, AT&T has done a horrible job supporting their customers, with high pricing and mediocre service. The acquisition of T-Mobile does not indicate a change of heart on their parts, and simply improves their pricing leverage over the US consumer. As their chief regulator, their behavior is a reflection on your willingness to defend the US consumer. Please, do not give them the power they seek and instead fight for broader choice and lower prices, two things that US consumers are currently at the bottom of global rankings on in the wireless provider category.