

It happened with little fanfare, but another nail was banged into the coffin of the unlamented AT&T/T-Mobile merger last week when attorneys general from seven states joined the Department of Justice's lawsuit to block the deal on antitrust grounds.

Friday afternoon, it was announced that the AGs — three Republicans and four Democrats, representing states that house one-third of the country's population — had cast their lot with Justice, for the same reasons. If approved, the AGs said, the merger would result in higher prices and fewer choices for consumers, with less innovation and more jobs lost for the economy.

"Our review of the proposed merger between AT&T and T-Mobile has led me to conclude that it would hinder competition and reduce consumer choice," said Kamala Harris, Democrat and AG for California, the most populous state in the union and home to much of the tech industry.

"If the deal goes through, two companies will control roughly three-quarters of mobile subscribers in the U.S. Antitrust laws exist to prevent such strangleholds over products and services," echoed Republican AG Rob McKenna of Washington, where T-Mobile is headquartered.

Other states whose attorneys general joined the suit are Illinois, Massachusetts, New York, Ohio and Pennsylvania. While states likely do not have the ability to block the merger on their own, their participation in the DoJ lawsuit should send a strong message to AT&T that its burden will be heavy as it tries to drag this merger up a very steep hill.

Of course, that didn't stop AT&T's propagandists from trying to spin their way out of a story that only a Kool-Aid drinker wouldn't recognize as a very damaging development.

"We remain confident that we'll reach a successful conclusion and look forward to delivering the merger benefits of additional wireless network capacity to improve customer service, expanded LTE deployment to 55 million more Americans, \$8 billion in additional investment and a commitment to bring 5,000 wireless call-center jobs back to the United States," AT&T's official statement said.

The rote recitation of the merger's supposed benefits is nothing more than a rehash of long-debunked, empty promises.

Meanwhile, AT&T continues to struggle for some kind of foothold to push the merger. According to Bloomberg, AT&T is soft-peddling its assets to see if any other tech/telecom companies are interested in buying enough of the company to make regulators forget that AT&T's and Verizon's stranglehold on the wireless market would only squeeze tighter if the merger is approved.

But the nature of the DoJ suit and the AGs' sharp rhetoric in joining it suggest that they are not in a

mood to settle. The question arises: How much would AT&T have to give up to make the deal palatable and comply with antitrust law? Is it enough for AT&T to surrender the frayed edges of its national network to smaller regional carriers while taking a nationwide competitor out of the contest? The DoJ doesn't seem to see it that way.

The complaint in the DoJ case, correctly, bases the merger scenario on a national level. AT&T has argued that competition is satisfied because most parts of the country have one or more regional carriers as options to the four national carriers. But the regional carriers make up barely a blip of the total percentage of wireless contracts nationwide.

And furthermore, as Washington's AG McKenna points out, AT&T and T-Mobile are the only national carriers using the GSM (Global Standard for Mobile) transmission technology. "After the deal, small and regional cell providers of GSM technology would be forced to negotiate exclusively with AT&T to provide services to their customers," McKenna said. Regional carriers would be left to bargain, hat in hand, with a true monopoly that has no incentive to bargain at all.

This illustrates an ominous point on which opponents of the merger agree: AT&T is already the second-largest carrier in a four-carrier market, and while its prices are consistently the highest, its service is regarded as the poorest. So if it doesn't care about providing its customers with excellent service at reasonable prices while facing three competitors, why would it suddenly change if there were only two?

"Service" seems to be a low priority for AT&T. Luckily for the residents of those seven states, it's more important to the attorneys general who serve them.