

Last mile telecommunications must remain competitive.

Why the AT&T T-Mobile Merger Doesn't Make Sense

1. Reduces Competition

If AT&T takes over T-Mobile, AT&T and Verizon would have over four-and-a-half times the market share of the next biggest competitor. This proposed takeover creates a clear AT&T/Verizon duopoly that will dramatically reduce competition in the wireless industry, giving them leverage to raise prices and potentially slow disruptive products from reaching the market at the expense of the consumer.

2. Not About Spectrum

Acquiring T-Mobile won't increase AT&T's geographic reach - the networks almost entirely overlap. T-Mobile is the most spectrum-constrained of any nationwide carrier. AT&T already has ample spectrum, holding on average more than 40 MHz of prime broadband-capable 700 MHz, AWS and WCS spectrum that has yet to be built out.

3. Hurts The Industry

The takeover of T-Mobile by AT&T would eliminate the competitive market forces that help regulate price and encourage innovation, putting the smaller and regional carriers at the mercy of the duopolists. It would also further leverage AT&T's control over backhaul and special access services, which are critical inputs to providing mobile broadband service. Rural, small and regional GSM carriers would be forced to deal with a GSM monopoly: the new bigger AT&T.

4. Hurts the American Economy

The proposed takeover will eliminate stores, jobs, back offices and marketing spending. This is not only a loss of jobs for T-Mobile and AT&T workers, but for every business with ties to the wireless telecoms industry.