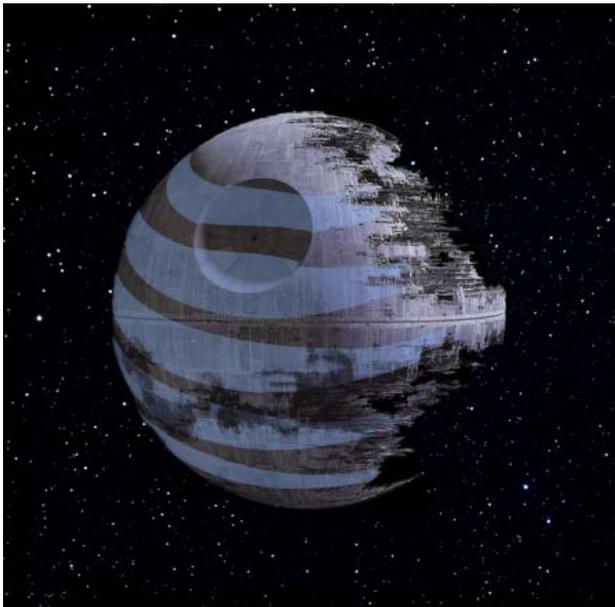


If your friend is going through a rough spell after getting stood up on his wedding day, you wouldn't expect him to offer a cheery assessment of his life. He hasn't had time to let it go, and he's going to be full of sour grapes. AT&T is now that jilted friend. The company isn't hiding its bitterness over the [FCC's rejection of its proposed T-Mobile buyout](#). In the company's quarterly earnings call, CEO Randall Stephenson sounded more like a groveling politician whose bill was voted down than the leader of a company trying to win the dollars of new customers.

If you put any credence in the Kübler-Ross model (the five stages of grieving), then [AT&T](#) has plenty more coping to do. Stephenson may have passed through the denial phase, but, boy, is he stuck in stage two: *anger*. The CEO cited spectrum as the #1 issue for both AT&T and the industry as a whole, and he wore his resentment for the FCC on his sleeve.

Stephenson said that the explosive growth in the wireless industry can't possibly be sustained without the government releasing more spectrum. He said that the government's unwillingness to immediately put significant spectrum shares up for sale or auction has forced AT&T to engage in smaller spectrum transactions.



How does this affect you? Isn't it best to let Stephenson sit in his man cave and sort out his feelings? Well, it could come back to bite customers in the tuckus. Stephenson said that in the spectrum-constrained environment, AT&T will continue to cap data plans (moreso?), limit speeds on the biggest bandwidth users, and — you guessed it — *raise prices*. He stated that these measures were the logical outcome of the [FCC's](#) rejection of the T-Mobile merger and reluctance to release more spectrum.

The FCC's delay in issuing more spectrum likely stems from concerns about a lack of competition in the wireless market. Stephenson likes to talk about letting the market play itself out, but the fact remains that there are only four major carriers in the US — and two of them ([Verizon](#) and AT&T) are significantly larger than the other two (Sprint and T-Mobile).

Unless that extra spectrum is bought by new entrants in the market (extremely unlikely), it will only pad the lead of AT&T and Verizon. The narrow competition in the field will only lead to

more customer-hostile schemes like overpriced text messaging, charging customers twice for data (tethering plans), and shrinking those data caps.

We know that AT&T isn't a fan of any kind of government regulation on their business. It's understandable that they want to conduct business without asking for permission, but Stephenson is CEO of a company that (supposedly) needs something that the government can offer. Does he think he's going to get somewhere by complaining about them every time he has an audience?