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LetsTalk.com Declares AT&T Purchase of T-Mobile Bad for Consumers and Bad for the U.S. Economy



Tuesday, March 22, 2011

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San Francisco, CA (PRWEB) March 22, 2011 0

LetsTalk, the leading online retailer of cell phones, wireless devices and service plans, feels compelled to address the many potential negative impacts to consumers and the U.S. economy caused by AT&T's acquisition of T-Mobile. The acquisition, which was announced on March 20th, would consolidate the second and fourth largest carriers in the United States

into the nation's largest wireless provider.

Major Concerns:

- Increased Subscription Costs: By eliminating T-Mobile, a carrier committed to value and choice, the deal reduces carrier pressure to price voice and data competitively at the lower end. Expect to see increases in device prices, subscription fees and service fees.
- Decreased Device Selection: Today, the two carriers combined offer close to 50 different device choices for consumers. AT&T has publicly stated that they will reduce the amount of devices offered in the combined portfolio, thereby decreasing consumer choice. In addition, it's likely that "open" handsets like the android-based G2 and Nexus S offered on T-Mobile will disappear from the lineup, as these types of GSM handsets have not historically been offered by AT&T.
- Aggressive Cost Cutting: Unlike the Verizon/Alltel acquisition in '08, which was about Verizon increasing its footprint into new regions, this deal is about cutting costs. AT&T claims it will improve profitability after the acquisition and expects to accomplish this goal through corporate/retail headcount reductions, retail store closures and reduced advertising.
- Significant Reduction in Headcount: When looking at corporate and retail locations combined, total headcount reduction could be upwards of fifteen thousand people. This would come at a particularly bad time during the country's economic turnaround.

Supporting Quotes:

- "While increased broadband coverage is a plus to the wireless industry as a whole, we have to ask at what cost and is it worth it. For 39 billion dollars, AT&T should be able to build out its own 7G network throughout our Nation!" said Delly Tamer, CEO of LetsTalk.
- "If AT&T follows through with the deep cost cutting measures necessary to make this acquisition successful, we estimate there could be upwards of fifteen thousand

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FROM OUR HOMEPAGE

jobs terminated. This will contribute to an increase in unemployment just as our country is laboring to recover from the Great Recession," said Dely Tamer, CEO of LetsTalk.

- "T-Mobile's position in the market has historically been to offer innovative and unconstrained cell phones and services at competitive prices. If this deal gets approved, consumers will likely see fewer device choices," said Dely Tamer, CEO of LetsTalk.

About LetsTalk (www.letstalk.com)

LetsTalk is a leading online retailer of cell phones, wireless devices and service plans. LetsTalk helps consumers research, compare and purchase cell phones and service plans in a user-friendly environment free from bias and sales pressure. LetsTalk was founded July 1999, and is based in San Francisco.

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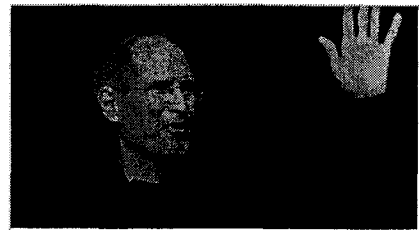
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