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COMPTEL Warns of Dangerous Market Dominance that will Result from AT&T Merger with T-Mobile

WASHINGTON, D.C. – This year, COMPTEL, the leading trade association for the competitive communications industry, marks 30 years of championing competition in the local, long distance, broadband and wireless markets. As the association prepares to commemorate this milestone tonight with a celebration in Washington, D.C., it is evident that there are still significant obstacles to the development of truly competitive communications markets. Because consolidation and market power control by a select few dominant companies continues to have a chilling effect on competition, COMPTEL today expressed its opposition to the proposed $39 billion merger of AT&T and T-Mobile USA. The companies announced their intended merger on March 20.

The following statement can be attributed to Jerry James, CEO of COMPTEL:

“Since divestiture in 1984, AT&T has been on a mission to regain its monopoly dominance through mergers and acquisitions – first in local and long distance telephony, and now the wireless market. Allowing a single company to control such vast market power in the landline, wireless and broadband markets will have devastating economic consequences – from the loss of jobs and fewer choices for consumers, to higher prices and less incentive to deliver innovative offerings. In addition, the concentration of network assets in the hands of one company will have a chilling effect on the growing wholesale marketplace.

The most immediate impact of the proposed merger is the impending loss of jobs as AT&T will no doubt build on its legacy of terminating tens of thousands of employees in its pursuit for market dominance. One only need to look at statements AT&T made in 2006, noting that upon closing the BellSouth acquisition the company would shed 10,000 jobs.

As regulators prepare to examine this latest mega-merger, they should consider the consequences it would have on the competitive market, as well as the negative effects on an economy struggling with nearly 9 percent unemployment. This proposed consolidation represents a clear and present danger to competition and a recovering economy. There is no question that it should be rejected.

For 30 years, COMPTEL has been the trade association promoting competition in all aspects of the communications industry, including wireline, wireless and broadband. Our members promote job growth and continue to invest millions of dollars into facilities and new products and services. Consumers and businesses alike have benefited from innovation, personalized services and lower prices that are possible only because of competition. Should the AT&T-T-Mobile merger be allowed to proceed, the communications industry will take several more steps backward to the pre-divestiture days when ‘choice’ consisted of a single company deciding what was in the consumers’ best interests.”

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About COMPTEL
Based in Washington, D.C., COMPTEL is the leading industry association representing competitive communications service providers and their supplier partners. COMPTEL members are entrepreneurial companies driving technological innovation and creating economic growth through competitive voice, video, and data offerings and the development and deployment of next-generation, IP-based networks and services. COMPTEL advances its members’ interests through trade shows, networking, education, and policy advocacy before Congress, the Federal Communications Commission and the courts. COMPTEL works to ensure that competitive communications providers can continue to offer lower prices, better service, and greater innovation to consumers. For more information, visit www.comptel.org.