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AT&T Opponents Declare Victory for the American People

Oakland, CA. Critics of the AT&T merger with T-Mobile expressed concerns about job loss, lack of competition, reduced innovation and higher prices as the basis for not wanting the merger to take place. AT&T efforts to acquire T-Mobile were initiated by Deutsche Telekom's decision to leave the US market.

Opponents of the merger, including regulators and self-proclaimed public interest groups, have declared the withdrawal of AT&T's bid to be a victory for the public. "Victory" indicates that there are winners, and in this case it is the public that is supposed to have come out ahead.

Those claiming victory in the withdrawal of the merger, however, have trampled over public interest by ignoring the voice of the people. Advocates for inclusion and economic stability, including The Black Leadership Partnership with participation of 66,000 churches, the National Black Chamber of Commerce and a host of advocacy groups supported the merger as a means to bring jobs, contracts and increased opportunities to communities of color.

Regulators and public interest groups have not expressed solutions to address the impact to Blacks and Latinos, the largest consumers of mobility products impacted by the reduction of the available spectrum. The elimination of unlimited data plans by the majority of the wireless carriers will decrease utilization by people of color who cannot afford to pay for additional data.

What actions have the public interest groups and regulators taken to protect the jobs of the 42,000 employees working at T-Mobile should Deutsche Telekom leave the US market? After all, T-Mobile is the only national carrier not currently carrying the iPhone, and has no plan in place to upgrade its network to fourth-generation standards that have been adopted by Verizon, AT&T and Sprint. Stable employment should have been a consideration in deciding what best serves public interest.

AT&T committed to bringing 5,000 jobs back to America and creating nearly 100,000 new jobs during a time when the American people need jobs more than ever. No other company has taken steps to return jobs to our country. Purporting to serve the public interest without consideration for economic stability or providing solutions to create jobs is unconvincing to say the least.

Recent mergers such as Comcast's NBC acquisition provided a perfect opportunity for negotiating future benefits for the public. However that approval was granted without commitments benefitting the public to match the benefits to the corporations involved. The Wall Street bailout is another great example of an action that failed to protect the public interest.

Perhaps the unique technical and operational characteristics of wireless networks perplexed opponents of the merger. Several public interest groups argued that the deal would kill competition in the wireless market. Our regulators supporting this contention also stated that it would lead to stifled innovation.

Self-proclaimed proponents of the public interest appear to have overlooked some basic facts factors that may impact our wireless future. Google's successful business model of free services subsidized by advertising, has been an inspiration for businesses constructed on similar models including Skype and Facebook, which have demonstrated phenomenal success.

Google gives Android away for free in order to increase market share in the mobile market; its recent acquisition of Motorola Mobility did not appear to be factored into the assessment of future competition, and neither did the fact that Google has implemented free Wi-Fi in several locations.

New technology is introduced, discovered and re-invented on a continuous basis and the current model of mobile services may be displaced by new technologies currently being introduced including use of satellite for broadband and leveraging Wi-Fi.

Innovation cannot be stifled by a single entity in the mobile space. On a daily basis companies are entering the competitive landscape with technologies that may overturn the current giants, just as Google did to Yahoo and Facebook did to MySpace. Young people download free apps that allow them to use their mobile devices over Wi-Fi without the need for a service provider such as AT&T, Verizon T-Mobile or Sprint. Perhaps those making decisions to support public interest should have consulted with the youth to learn who the true competitors are in the wireless space.

Historically, Black Americans are the hardest hit during economic downturns, have the highest rates of unemployment, receive the least amount of contracts and are repeatedly ignored. History confirms that efforts led by Black Americans to remove barriers that stifle economic empowerment open the doors for all, including women, minorities and gays. The Black community strongly supported the merger but was ignored by public interest groups.

Len Canty, Chairman of the **Black Economic Council**, stated, "Black leadership supported this merger as it provided an opportunity to improve the economic status of Blacks and communities of color. AT&T committed to bringing jobs back to America, creating nearly 100,000 new jobs and investing in efforts to increase their record for employment and supplier diversity. No other company in recent history has taken any meaningful actions to improve the economic situation of the people, aside from this effort.

"In order to participate in mobile broadband and prevent another digital divide, people of color need money to pay their bills. The discussion of costs for devices and services is irrelevant to groups of people who don't have economic means to provide food shelter and clothing," Canty stated.

The Occupy protest movement is a clear indication that the public interest is not being served, and those proclaiming victory in the withdrawal of the merger should consider the impacts of their actions on the public.

The **Black Economic Council (BEC)** is a 501 (c) (3) non-profit organization created to promote the self-sufficiency of Black-American communities through structured economic development. Contact: Yolanda Lewis info@BlackEconomicCouncil.org (866) 856-4570

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