

## Media warn AT&T/T-Mobile deal could hurt ethnic communities

Written by New America Media, News Analysis, Jehangir Khattak  
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AT&T's recently announced acquisition of T-Mobile will significantly impact ethnic communities around the United States, especially low-income populations that could be confronted by reduced service access and higher costs.

But the arcane nature of media policy—jargon-ridden and full of obscure legalisms—often leaves ethnic and community media able to present only sketchy reports for their audiences.

For example, most of the ethnic and community media reported the basic news of the deal because it is one of the biggest business transactions in recent years -- \$39 billion. But not many connected the dots for their readers to explain the deal's impact on their community.

AT&T's buyout of T-Mobile, if it wins federal approval, would create the nation's largest wireless carrier. The newly combined entity would have over 125 million subscribers—making it more than a third larger than Verizon's 93 million. But it would also reduce the number of major wireless carriers in the United States to three, with Sprint being the smallest.

Further wireless-market consolidation could involve Verizon buying Sprint or Sprint swallowing up smaller operators, such as MetroPCS, Cricket Wireless or U.S. Cellular. In any case, wireless services are likely to become more expensive.

### Positive Claims

While announcing the deal on March 20, AT&T Chairman and CEO Randall Stephenson promised a process of “seamless integration” of the two companies, with additional spectrum and network capabilities. He said the deal would “help achieve the President's goals for a high-speed, wirelessly connected America.”

With this deal, AT&T is committing to significantly expanding public access to the higher bandwidth required for such applications as high-quality wireless, video surveillance and multidata-stream wireless connections. Stephenson said if regulators approve the deal, it will spread greater availability of this technology, called 4G LTE (Long Term Evolution), to 95 percent of the U.S. population. That would add 46.5 million Americans beyond access currently planned and would include wiring rural communities and small towns.

Stephenson's promise is not so reassuring for community journalists, such as Aleksandra Slabisz, a senior reporter with the Polish Daily/Nowy Dziennik, who fears the deal will give AT&T enough market control to behave as a monopolist.

While Slabisz acknowledged potentially positive aspects of the acquisition, such as improving wireless infrastructure and service, as well as expanding broadband to currently underserved areas, she expressed serious concerns about the deal.

### Possible Negative Actions

Slabisz, who completed a media-policy fellowship last fall with New York Community Media Alliance, noted that once federal agencies approve the acquisition, AT&T could take actions contrary to a community's best interests. For example, she said, the corporation could increase prices beyond reach for many consumers, or cut them to undercut competitors.

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The new company, Slabisz said, could also control the quality of services, such as by dictating the available applications, software or the amount of data they'd allow to be transferred. Such maneuvers, she stressed, could greatly reduce customers' ability to communicate and curtail their access to information through mobile networks.

"I think there could be substantial impacts on communities of color and immigrant folks," said Jamillah King, news editor of Colorlines, a daily news site focusing on racial justice issues. King outlined the basics of the deal and its possible effects on ethnic communities in her article, "Understanding the AT&T Takeover of T-Mobile."

King continued, "What we're talking about is a merger that would ultimately lead to AT&T and Verizon owning 70 percent of the market." That, she said, could lead to blocked mobile content, or so-called "pay for play" plans that would charge for different levels of online access.

"Put simply, consumers want choice. The telecommunications industry is already one of the least competitive out there," stated King. She observed that AT&T and Verizon are both offshoots of the old Bell monopoly, broken up by federal courts in the 1980s. Advocates also claim that AT&T has a century-long history of running very closed networks. Many media-reform advocates worry that this history is slowly creeping back and could lead to blocked mobile content.

Other community and ethnic-media editors are picking up on similar fears. Mohsin Zaheer, editor of the New York-based Sada-e-Pakistan and a veteran Pakistani journalist, was among those frankly admitting their initial difficulty in translating the acquisition's complications for their readers, except in broad terms.

Even though Sada-e-Pakistan had carried recent reports on other complex media policy subjects, such as net neutrality, Zaheer said that at first he had "no idea what could this deal mean to a customer or immigrant community." He found, though, that many in the Pakistani community were asking about the deal's impact on services, such as their monthly plans or their data plans.

"Customers are talking to us and to their phone dealers, too, but our understanding is no one in [our immigrant community] has clear answers," Zaheer said.

### **Regulators Should Take "Extreme Caution"**

Wireless regulators -- the Federal Communications Commission (FCC) and the Department of Justice -- have to approve the transaction before it takes effect. Experts believe legal formalities may take up to 12 months to complete. Ethnic and community media journalists are asking regulators to exercise extreme caution while taking a decision on the deal.

King said community and ethnic-media advocates are concerned about the FCC's compromise last December on net neutrality—the principle of keeping the Internet as open as possible without gatekeepers controlling cost or content.

Although the decision forbids the nation's largest cable and DSL Internet service providers from

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blocking or slowing online services, the agency allowed wireless companies much more latitude.

With that decision, said King, many community media advocates realized that FCC Commissioner Julius Genachowski, a recent Obama appointee, is unlikely to take the hardline, pro-regulatory stance they expected of him.

Progressive media advocates hoped that Genachowski's addition as a Democratic vote on the highly partisan, five-member commission, would shift the FCC's balance from its more corporate stance in recent years to a more public focus. Regarding the AT&T/T-Mobile deal, King is hopeful that FCC Commissioners Mignon Clyburn and Michael Copps "will ask very important questions and really push the debate." It is doubtful they would support the deal, she said.

Emphasizing the critical role of ethnic and community media, Slabisz said, "I am afraid the majority of the nation, especially immigrant communities, don't understand the intricacies involved in business deals. Once educated the communities may be able to formulate their concerns about such deals and pass them on to their legislators."

Jehangir Khattak, Communications Manager of New York Community Media Alliance (NYCMA), wrote this article as part of a partnership between NYCMA, the G.W. Williams Center for Independent Journalism and New America Media, in a media policy reporting fellowship sponsored by The Media Consortium.