



WGAW Position on the Proposed AT&T – T-Mobile Merger

The Writers Guild of America, West (WGAW) is extremely concerned with the detrimental impact this merger would have on competition in the wireless market. The combination of AT&T and T-Mobile would grant the new company control of 45 percent of the wireless market, reducing the market to a duopoly.¹ Sufficient remedies to mitigate the harm to consumers and content creators resulting from this merger do not exist. The WGAW has joined with Center for Media Justice, Consumers Union, New America Foundation and Media Access Project to petition the FCC to deny this merger.

Key Concerns

- The acquisition is anticompetitive and not in the public interest.
- The merger would eliminate a key national competitor and grant AT&T substantial market power. It would enable AT&T to stifle innovation, increase prices, and decrease choices for wireless customers.
- Growth through acquisition arguably will reduce incentives to invest internally in network expansion and will lead to fewer jobs, rather than more, as the company has asserted.
- The reduction in competition would hinder the development of mobile wireless platforms used to create and distribute all manner of video programming and other types of artistic works and political expression.

This Merger will Impede the Development of a Competitive Market for Mobile Delivery of Content

The proposed merger of AT&T and T-Mobile will have a detrimental impact on the nascent market for wireless delivery of video programming. The growth of wireless devices such as smartphones and tablet computers has made mobile video viewing more attractive to consumers than ever before. The development of a competitive wireless market for video distribution will be beneficial to both consumers and content creators. While the opportunity to make and view independently-produced content in traditional media has essentially disappeared due to deregulation and media consolidation, the growth in distribution options represented by the wireless market offers a path to reintroduce such content. Approval of this merger will prevent the development of a competitive and innovative market for video distribution.

A merged AT&T would essentially face only one competitor (Verizon), reducing incentives to develop robust video content offerings to consumers or offer video programming at reasonable prices. As the largest wireless distributor, AT&T would possess significant market power over content creators seeking wireless distribution. Content creators would have little power in negotiations with AT&T, as the company's control of almost half of the wireless market would necessitate acceptance of AT&T's terms in order to reach consumers.

Who We Are

WGAW is a labor organization representing more than 8,000 professional writers of motion pictures, television, radio, and Internet programming, including news and documentaries. For more information on the WGAW, please visit: www.wga.org.

¹ Corporate Crime Reporter, "Antitrust Institute Says T-Mobile AT&T Merger Appears to be Anti-Competitive," Apr. 1, 2011, <http://www.corporatecrimereporter.com/tmobileatt04012011.htm>.