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## Merger: Back to bad old days

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AT&T's proposed purchase of T-Mobile is a flashback to the '80s. In a throwback to yesteryear, AT&T's attempt to reconstruct itself as Ma Bell is reminiscent of the monopolistic grasp it had over the telecommunications industry.

Many believed those days were long gone, as today's wireless industry has fostered a culture of competition. But little did we know that in their fruitless attempts to argue that the merger would create jobs and spur economic growth, it would decide to use trickledown economics as the bedrock of its reasoning.

Thankfully, regulators aren't buying it. In October, the Federal Communications Commission sent a letter to AT&T stating the company produced "almost nothing" during its attempt to convince regulators that the acquisition would create jobs. In response, AT&T recently produced a report that promised the creation of "thousands" of jobs due to the "substantial spillover effects" the takeover would have throughout the telecommunications industry.

There will be substantial spillover effects if the merger is allowed to move forward. Unfortunately, the real spillover effects will be layoffs of thousands of T-Mobile workers, shutdowns of small rural carriers and substantial price increases. At a time when Scranton's unemployment rate is 9.7 percent, these simply aren't the "job-creating" mechanisms Pennsylvania needs.

AT&T's trickledown jobs theory is a far cry from the "96,000 jobs" it claims it would create. And it runs counter to its promise to guarantee jobs to non-management workers at T-Mobile, as the company has been telling the exact opposite to investors when asked how it plans to pay for T-Mobile's \$39 billion price tag.

During his testimony to the House and Senate last summer, AT&T CEO Randall Stephenson admitted that this merger will create overlaps in the workforce, and these overlaps will have to be eliminated.

For Pennsylvania, this fact alone puts 82 T-Mobile locations and almost 4,000 T-Mobile jobs at risk. This merger isn't a spillover so much as a wave crashing on thousands of employees.

Additional job cuts will come from Pennsylvania's rural carriers that will no longer be able to compete in a marketplace where AT&T and Verizon collect 80 percent of retail industry revenues and control wholesale network inputs that other carriers must buy from them. Once small rural carriers raise prices or go out of business, the spillover effect will have made it all the way to average mobile wireless consumers struggling to pay their ever-rising phone bills.

Our antitrust laws were put in place for a reason, and that was to ensure a robust, cost-effective marketplace that encourages innovation and job growth. When the Department of Justice sued to block the AT&T merger, it demonstrated its commitment to uphold those laws. It was encouraging to see state Attorney General Linda Kelly join the Justice Department lawsuit, as the effects on Pennsylvania's struggling workforce will be all too real.

Since the breakup of Ma Bell, competition in the telecommunications industry has encouraged innovative technologies at the lowest price possible. In order to build upon the momentum the wireless industry has been generated, let's leave the 80's where they belong - on TV reruns.

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