

# T-Mobile USA's New Plans Compared to Competition

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NEW YORK (AP) — T-Mobile USA has revamped its pricing plans, the latest move in an industry that's still experimenting feverishly with various ways of luring customers and getting current ones to pay as much as possible. Here's how T-Mobile's gambit compares.

## T-Mobile USA

The most significant change is that T-Mobile is breaking the cost of the phone away from the monthly service fee. Instead, the company will sell the phone on an installment. It's making a big deal out of the fact that it will no longer have two-year service contracts, but it's replacing them with two-year financing contracts. To buy an iPhone 5 from T-Mobile, you'll be putting \$100 down and then paying \$20 per month for two years to pay off the phone. That's on top of service fees that start at \$50 per month for unlimited talk, text and 500 megabytes of data. An additional \$10 per month gives you another 2 gigabytes of data. Add \$20 instead, and you get unlimited data. If you leave T-Mobile within the two-year period, you'll still be charged \$20 a month until the two-year contract runs out.

**Pros:** T-Mobile's plans are generally cheaper than the competition. If you've paid off your phone, your monthly bill declines. You can pay off the phone early if you want, with no penalty. You can also buy "unlocked" phones, or bring them over from AT&T, and get a good deal on monthly service. T-Mobile's "4G" service is relatively fast — at least, faster than Sprint, in places where Sprint doesn't have LTE. T-Mobile also offers unlimited data service, for peace of mind.

**Cons:** T-Mobile's data network coverage is poor in rural areas. It's only now rolling out an "LTE" network, and it doesn't have access to the low frequencies where Verizon Wireless and AT&T run their wall-penetrating LTE networks. There's no option to share a data plan among many devices, but T-Mobile makes it relatively inexpensive to add a line to the plan: \$10, which comes with 500 megabytes of data usage.

**Bottom line:** The price over two years for a 16-gigabyte iPhone 5 with unlimited calling, unlimited texting and 2.5 gigabytes of data usage per month, excluding taxes, is \$2,020.

### Verizon Wireless, AT&T

Last year, the two big guns in the wireless industry trotted out "shared data" plans that let a family tap into a common pool of data usage every month. They're betting on a future where phones will be just one of many devices connected to wireless networks.

**Pros:** The shared data plans make connecting tablets, laptops and mobile hotspots cheaper. Verizon has stellar coverage and the largest high-speed "LTE" network. AT&T has less coverage, but more than T-Mobile and Sprint, and it has a fast "4G" network in most places LTE isn't available.

**Cons:** For single phones, AT&T's and Verizon's prices are considerably higher than T-Mobile's — you pay for that extra network coverage and reliability. Neither offers new customers unlimited data. The two-year contracts are complicated, with early termination fees and varying periods before you're eligible to buy a new phone at a subsidized price.

Bottom line: The price over two years for a 16-gigabyte iPhone 5 with unlimited calling, unlimited texting and 2 gigabytes to 3 gigabytes of data usage per month is \$2,635, excluding taxes.

### Sprint Nextel

The No. 3 wireless company has done the least to revamp its pricing plans — they're pretty much the same they've been for the last five years.

**Pros:** Sprint has stuck to offering unlimited data plans, which is good for peace of mind. It sells smartphone service for as little as \$35 per month through its Virgin Mobile subsidiary.

**Cons:** Unlimited data service is only good if the network is fast enough to serve up all the data you need, and Sprint's network is in a complicated transition period. Its "3G" service is very slow. It's complemented in places by Clearwire's "4G" network, and it's in the early stages of an "LTE" buildout. With unlimited data as the only option, Sprint-branded smartphone service isn't cheap. The two-year contracts are complicated, with early termination fees and varying periods before you're eligible to buy a new phone at a subsidized price.

**Bottom line:** The price over two years for 16-gigabyte iPhone 5 with unlimited calling, texting and data, excluding taxes, is \$2,840.

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