AT&T Joins Sprint in Pushing Rural Service to Bolster Acquisition Hopes

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AT&T CEO Randall Stephenson today will tell a House Judiciary Committee about the 13 million rural customers it can bring broadband to if regulators sign off on its $48.5 billion DirecTV acquisition [1].

In his prepared remarks, Stephenson outlines AT&T's plans to bring broadband access to customers in 48 states, with 80 percent of the locations outside of the company's wireline footprint. Using "fixed wireless" that combines dedicated spectrum and professional installation, he said the combined companies will be able to offer 15-20 Mbps home broadband to customers as part of a package or as a standalone service.

Stephenson said AT&T estimates that 20 percent of those rural consumers today have no access to a high-speed wireline broadband service and that 27 percent only have one provider from which to choose.

AT&T said it will be able to build out or enhance high-speed Internet service for 15 million people within four years of the merger closing.

Stephenson's pledge to bring broadband to rural areas is not unlike Sprint Chairman Masayoshi Son's promises.

At the CCA Expo in March, Son outlined Sprint's plans to back the LTE aspirations of smaller rural and regional carriers [2]. He described the "rural situation" as a need for LTE and a need for compatible devices. He pointed out the huge gap between the number of LTE devices in the portfolios of the AT&T and Verizon as compared with everyone else.

Sprint's pledge to aid smaller carriers become more competitive with their networks, which has already materialized in a number of new LTE roaming agreements, serves in part to soothe regulators' doubts regarding a potential Sprint-T-Mobile merger.

SoftBank, which owns 80 percent of Sprint, is reportedly prepping a deal to buy a majority stake in T-Mobile from Deutsche Telekom, which hold 67 percent of the U.S.'s fourth largest carrier.

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