



## Unlimited Wireless Plans Prove to Be Pricey for Most

By Kelli B. Grant  
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**AFTER UNLEASHING THE** industry's first unlimited calling plans this week, the four major U.S. wireless carriers have given consumers plenty to talk about.

Like any game of telephone, it all started with a rumor. Early last week, **Sprint Nextel** (S<sup>1</sup>) CEO Dan Hesse hinted<sup>2</sup> to USA Today that the ailing carrier, which lost 800,000 subscribers in the fourth quarter of 2007, was exploring flat-rate pricing for unlimited voice calls. Three days later, it launched a test program in four major markets. But the other wireless carriers soon stole Sprint's thunder. **Verizon** (VZ<sup>3</sup>) countered on Tuesday, announcing six tiered bundles of unlimited calling services, starting at \$99 a month across its entire U.S. network. Not to be outdone, rivals **AT&T** (T<sup>4</sup>) and T-Mobile rolled out their own unlimited plan options. (See details in chart below.)

"This feels like when an airline lowers fares, and all the others rush to match it," says Kent German, a senior editor for electronics review site CNET<sup>5</sup>. "Cellular service is a highly competitive market, so when something new comes up — like these unlimited plans — every carrier has to jump on board or fall behind."

Unlimited calling plans seem attractive because of their simplicity: Subscribers don't have to count the minutes they use or worry about expensive overage charges. "Consumers want to know what their bill is going to be at the end of the month," says Joni Blecher, editorial director for wireless plan comparison site LetsTalk<sup>6</sup>. "They don't want any surprises."

As alluring as a predictable phone bill might be, these plans, which start at \$99.99 a month, aren't for everyone. In fact, for most subscribers, they could prove to be more expensive than their existing plans. "It's a limited audience that's going to see the benefit: the heavy, heavy talkers," says Dan Havlik, editor of tech education site DemystifyingDigital.com<sup>7</sup>. Unless you're routinely exercising your gift of gab for 1,000-plus minutes each month, the math is unlikely to work in your favor. Even those 24 million Americans who use a cellphone in lieu of a landline may not use that many minutes, points out German.

"Regular plans are so customizable that people can usually get what they need for far less money each month," says Havlik. Cellphone users fork over an average \$49.94 per month, according to CTIA-The Wireless Association, a nonprofit trade group. That's half the cost of the cheapest unlimited plans. Also consider how many gratis minutes current plans offer, from free night and weekend minutes to complimentary calls to users of the same network. AT&T allows consumers to roll over their unused minutes from one statement to the next, while T-Mobile's My Faves feature offers unlimited calls to any five numbers. And Sprint regularly offers free calls from 7 p.m. to 7 a.m. as part of its "Unlimited Nights and Weekends" package. For \$5 extra a month, consumers can have the freebies kick in at 6 p.m., potentially netting another 1,800 minutes per 30-day billing period.

Unlimited plans that include text messages and data usage may seem to be offering more bang for the buck, but even the most obsessive texter won't save much money. Verizon, for example, regularly offers unlimited text messages for \$20 a month and unlimited data for another \$20. Its higher-rate unlimited plans merely stack those options on top of the unlimited voice calls option.

With T-Mobile's plan, consumers pay \$6 more a month than they would for 1,500 minutes of call time, unlimited texts and data.

As carriers test out these new unlimited offerings, they may eventually make them more attractive to a wider audience, predicts Neil Strother, an analyst with Jupiter Research. "This is game changing in that it sets the first bar for unlimited plans," he says. "Prices may eventually fall in a year or two as they phase out these lower-priced plan options that are currently very attractive to people."

Here's a breakdown of the unlimited calling plans offered by the major wireless carriers:

### Unlimited Plans

Carrier	Plan Details
AT&T <sup>8</sup>	For \$99.99, you get unlimited calls.
Sprint Nextel <sup>9</sup>	The Unlimited Access Pack, \$119.99, offers unlimited calls, text messages, web, email and picture mail. (Currently available only in San Francisco, Minneapolis, Tampa and Philadelphia markets.)
T-Mobile <sup>10</sup>	For \$99.99, you get unlimited calls, text messages, picture messages and instant messages.
Verizon <sup>11</sup>	Individual lines can opt for a \$99.99 per month unlimited calls; \$119.99 for calls and text messages; \$139.99 for calls, text messages, web, email and streaming video. Family plans with two lines start at \$199.98 for unlimited calls; \$229.98 for calls and text messages; \$269.98 for calls, text messages, web, email and streaming video.

\* Data from individual carriers. Plan totals do not include taxes and surcharges.

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<sup>5</sup><http://www.cnet.com>

<sup>6</sup><http://www.letstalk.com>

<sup>7</sup><http://www.demystifyingdigital.com>

<sup>8</sup><http://www.att.com/wireless>

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