

AT&T relents on iPhone pricing for upgraders

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(AP) -- AT&T Inc. will allow some current iPhone owners to upgrade to a new model at the same price as new buyers when it is released Friday.

Wednesday's announcement comes after AT&T took some criticism from [iPhone](#) owners who felt that its prices were unfair. Current owners would have to pay \$399 for the cheapest version of the new iPhone 3G S, compared with \$199 for new buyers.

The Dallas-based carrier heavily subsidizes the purchase price of the phone, and it takes a while for it to make that money back through monthly service fees. That means it doesn't want to sell new, subsidized phones to customers who haven't "paid off" their old phones.

Customers qualify for the "new buyer" price after a certain period, determined by a formula. Factors include how much they pay per month and whether they're current on their payments. Those who pay at least \$100 a month generally qualify 12 to 18 months after purchase, AT&T said.

But the most recent iPhone model, the 3G, went on sale 11 months ago, meaning people who bought it then have been ineligible for the lowest price on the new phone.

On Wednesday, AT&T said current customers who would otherwise qualify for the lowest price by September will qualify on Friday, when the new phone goes on sale.

The iPhone 3G S, made by Cupertino, Calif.-based [Apple](#) Inc., includes a faster processor, longer battery life and an auto-focusing camera.

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