

Google reduces fee to break Nexus One contract

February 9 2010, By JOELLE TESSLER , AP Technolgy Writer

(AP) -- Google Inc. is shaving \$200 off the fee that it charges customers of its new Nexus One phone to break a service contract with T-Mobile, as federal regulators continue to probe such fees and the rationale for them.

Google's "equipment recovery fee" applies to customers who break their two-year T-Mobile contract after a 14-day trial period and before 120 days. A \$350 fee that applied to new T-Mobile customers was lowered to \$150, while a \$250 fee for existing T-Mobile customers upgrading to the Nexus One was cut to \$50.

Customers would still have to pay a separate early termination fee to T-Mobile USA Inc. That fee is \$200 for customers who break a contract after the 14-day trial period and before 120 days. After that, it is prorated.

Although Google gave few details about why it made the change, T-Mobile said it had nothing to do with a Federal Communications Commission inquiry into early termination fees across the wireless industry.

"We have been looking for ways to improve our customers' experience, so we were able to work with T-Mobile to find a better solution for our customers," Google said in a statement.

Last month, the FCC sent letters to AT&T Inc., Verizon

Communications Inc., Sprint Nextel Corp., T-Mobile and Google seeking information about their fees. Among other things, the FCC asked why customers who use Google's phone on the T-Mobile network have to pay fees to both companies if they break a contract.

The Nexus One phone costs \$179 for customers who sign up for a two-year plan with T-Mobile, or \$529 for those who purchase a version that can be used with any wireless network using GSM technology, including T-Mobile's. Google and T-Mobile do not charge termination fees for the higher priced version.

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