

Leap adds free nationwide roaming to Cricket

March 23 2010, By PETER SVENSSON , AP Technology Writer

(AP) -- Leap Wireless International Inc. said Tuesday that it's eliminating most roaming fees for its Cricket contract-free wireless service, continuing a series of price cuts and service enhancements in the growing and competitive prepaid market.

Leap hopes the move will shed some of Cricket's image as a regional service with limited coverage compared with the big national carriers. But to hold down the fees it has to pay for subscribers to access other carriers' networks when traveling, Cricket will still only sign up customers who live where it has its own network, which is mainly in large cities.

Free roaming will cover all major cities and about 90 percent of the U.S. population, Leap said. It will still charge roaming fees for a few areas.

"Our competitors - those that have not been able to match us in a value proposition - have typically sold against us with a nationwide network," said Al Moschner, Leap's [chief operating officer](#).

Leap shares rose 55 cents, or 3.4 percent, to \$16.92 in afternoon trading Tuesday.

Cricket has about 5 million subscribers, making it the seventh-largest wireless carrier in the U.S. It targets customers in households making less than \$50,000 per year.

With the elimination of roaming fees, Cricket is also simplifying its price plans, cutting its six options down to four. That's something other carriers have been doing recently as well.

Leap is charging \$30 per month for a basic plan with unlimited calls. For \$40 per month, it adds unlimited texting, [voice mail](#), call waiting and other features, roughly matching the price of its closest competitor, MetroPCS Communications Inc.

Bernstein Research analyst Craig Moffett noted that Leap's prices aren't much lower than before. He said it was the first time in a while that a prepaid carrier revamped plans by adding features rather than slashing prices. This could help other carriers keep their prices stable, he said.

Leap and MetroPCS have already offered free roaming to their subscribers on each other's networks. Leap, which is based in San Diego, is now providing free roaming on the networks of carriers with much wider coverage, including Sprint Nextel Corp. and Verizon Wireless.

Sprint has become a big player in prepaid service as well, through its Boost brand. It roiled the market by introducing a \$50-per-month unlimited calling plan with nationwide coverage last year.

Prepaid plans don't require a contract, and the phones are typically more expensive than equivalent ones sold with two-year contracts. Prepaid plans and wholesale access, which is also usually offered under prepaid terms, accounted for 72 percent of the net new wireless subscribers in the fourth quarter of 2009, according to Moffett.

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Citation: Leap adds free nationwide roaming to Cricket (2010, March 23) retrieved 19 April

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