

Small phone companies to sell iPhone at discount

April 4 2012, By PETER SVENSSON , AP Technology Writer

(AP) -- A group of small, regional cellphone companies announced Wednesday that they're going to start selling the iPhone, at prices that undercut the big carriers.

NTelos Wireless of Virginia; Appalachian Wireless of Kentucky; and Alaska Communications, Matanuska Telephone Association and GCI of Alaska all said they will begin selling the iPhone on April 20.

Cellcom of Wisconsin told WSAW, a Wausau TV station, that it would be part of the launch. Cellcom didn't return messages left by The Associated Press.

With the exception of Matanuska, the companies said they will charge \$150 for the basic 4S model. That's \$49 less than what AT&T, Verizon and Sprint charge. A two-year service contract is required. Matanuska didn't say how much it would charge for the phone.

Another small regional phone company, Mississippi-based C Spire Wireless, started selling the iPhone last year. A bigger regional company, U.S. Cellular, has said it turned down the iPhone because it was too expensive.

Phone companies subsidize the iPhone, which costs about \$600 wholesale. Selling it means shouldering a big upfront cost. Ntelos Chief Financial Officer Stebbins Chandor said the phone would start paying off in 2014.

Ntelos CEO James Hyde said it needed the iPhone to fill a gap in its smartphone lineup and compete with other carriers. In the first quarter, the company lost about 5,000 subscribers from its contract-based plans, which are the most lucrative, while adding subscribers to cheaper prepaid services.

Shares of Ntelos, Alaska Communications Systems Group Inc. and General Communication Inc. all fell Wednesday, a down day for the broader market. The other companies are privately held.

Ntelos Holdings Corp. is based in Waynesboro and has about 421,000 subscribers in Virginia, West Virginia and portions of Maryland, North Carolina, Pennsylvania, Ohio and Kentucky under the nTelos Wireless brand.

Anchorage-based GCI and Alaska Communications have 140,000 and 118,000 subscribers, respectively.

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