

AT&T hikes prices for some plans, but raises data caps

August 17 2016, by Anick Jesdanun



This Oct. 17, 2012, file photo shows an AT&T logo on an AT&T Wireless retail store front in Philadelphia. AT&T announced Wednesday, Aug. 17, 2016, that the company is joining Verizon in raising the prices of some of its data plans in what the wireless company terms a simplification. (AP Photo/Matt Rourke, File)

AT&T is joining Verizon in raising the prices of some of its data plans.

As with Verizon, AT&T is going to great lengths to avoid calling the

changes a price hike, as the higher prices come with more data, reducing the cost per gigabyte for many customers. Indeed many customers will benefit, and those who won't can keep their existing plans.

The price increase underscores how wireless companies see data as a way to boost revenue. Most plans now come with unlimited calls and texts.

The new rates take effect Sunday. AT&T customers who want to keep their existing plans don't need to do anything. They can still add lines to their account, but won't be able to change data levels without switching to the new rates.

AT&T's efforts to simplify its plans include standardizing the "access charge" that customers pay on top of data charges. That's the voice and text portion of the monthly service bill. Now, customers will pay \$20 a month per line, unless they still have a discounted phone under two-year contracts, which wireless companies are phasing out. Before, the access charge was \$25 for smaller data plans and \$15 for larger ones.

Customers on larger data plans will now pay more for access, but will get comparable or greater reductions in the data rates. In fact, families on plans of 20 gigabytes or more will likely see significant reductions in their phone bills.

That's not the case with smaller plans, as phone companies try to push customers into larger tiers to boost revenue. Those on smaller data plans will generally pay \$10 a month more for data, offset by a \$5-per-line reduction in the access charge. That's a net increase of \$5 for individuals, though those prices come with at least 20 percent more data.

But there's one case where customers get less. For \$30, customers used to get 2 gigabytes of data. Now, that price comes with 1 gigabyte. Those

customers will still benefit from the \$5-per-line reduction.

Regardless of the data level, Dallas-based AT&T Inc. is eliminating charges for exceeding monthly data caps, at least for those who do switch to the new rates. The charge was typically \$15 per gigabyte over. Now, AT&T will slow down speeds instead after the cap is reached. The slower speeds will be fine for email and basic status updates on Facebook, but photos will be difficult and streaming video nearly impossible.

Verizon also eliminated charges for exceeding caps when it raised prices last month, though for those on smaller data plans, customers have to pay a \$5 a month "safety" fee to avoid such charges. There's no extra fee with AT&T. Sprint and T-Mobile also slow down speeds instead of charging for exceeding caps, without imposing any safety fee.

Last year, T-Mobile raised its rates as well, while calling them greater values with more data.

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