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T-Mobile ends roaming charges — you can too How to skirt the hefty international fees — even on AT&T and Verizon

By Quentin Fottrell



When T-Mobile (NYSE:TMUS) announced the end of roaming charges, it acknowledged that it, like other carriers, earns a 90% profit on the roaming fees levied on international travelers. Even if AT&T (NYSE:T) and Verizon (NYSE:VZ) choose not to follow suit, there are still ways customers can emulate T-Mobile's free roaming.

On Wednesday, T-Mobile CEO John Legere said the company would eliminate international data fees starting Oct. 31. In an attempt to distinguish itself from its bigger rivals, he made a fundamental change to how carriers charge customers overseas, eliminating fees for data and text messages completely in over 100 countries and simplifying the rates for making calls, charging 20 cents per minute. In contrast, Verizon customers can buy packages at \$25 per 100 megabytes for roaming abroad — including Canada — or pay \$20.48 per megabyte — or \$2,048 for 100 megabytes. "People are afraid to use their phone globally since they just don't know how much they will be charged," says technology analyst Jeff Kagan.

But while T-Mobile may be trying to persuade customers at rival companies to defect, experts say those customers can find other ways to skirt the roaming charges. Viber, a free app with over 200 million registered users, allows users to text and make voice calls to other Viber http://www.viber.com customers — as long as they find Wi-Fi service in their hotel or, failing that, a nearby Starbucks. Apple's iMessage allows iPhone and iPad users to send text messages to each other; they can also use Apple's FaceTime video calls, which is similar to Skype. TextMe! and HeyWire are Android applications that allow free texting between Android phones and other platforms. Although free, both services carry advertising.

TV Ratings Aren't the Only Thing Twitter Can Measure

On Monday, Nielsen and Twitter launched their joint TV Ratings, a metric that tracks whether shows are hot -- or not. But tech pros say that's not the only thing the social media platform can measure. Quentin Fottrell has details. Photo: Getty Images.

While roaming is a lucrative source of revenue, Legere told The Wall Street Journal that T-Mobile doesn't have as many business travelers as AT&T and Verizon, who might be more likely to turn on their phone overseas. (Spokesmen for Verizon and AT&T declined to comment on their roaming plans.) "The strategy attacks AT&T's high-margin international roaming business," says Craig Moffett, senior analyst at MoffettNathanson Research. Because AT&T uses the same standard, GSM, that is used in virtually every developed country, it dominates the global roaming segment, he says. Verizon and Sprint use the competing CDMA platform, which is not used as widely overseas.

There are other options for frequent travelers. Mobal.com offers a \$9 data-only SIM card, for unlocked phones that use GSM: Costs vary depending on the country: 39 cents per megabyte in Europe, 59 cents per megabyte in Japan and 69 cents per megabyte in China. (Not all services are so generous:

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Mobal sells a \$29 "world phone" that works in over 170 countries and a \$49 version that works in 190 countries and cruise ships, but charges can be over \$2 per megabyte.) "I do think we will start to see carriers promote true global phones," says Rick Singer, CEO of GreatApps.com. "Until then, always contact your carrier to get an accurate price sheet before traveling abroad."

Also see: 5 phone calls you still need to make

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