



NEWS

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See MCI v. FCC, 515 F 2d 385 (D.C. Circ 1974).

FOR IMMEDIATE RELEASE:
November 29, 2011

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STATEMENT OF COMMISSIONER MICHAEL J. COPPS

Given the overwhelming mass of competitive concerns raised in the Department of Justice suit against the proposed acquisition of T-Mobile by AT&T, and the possibly even greater public interest harms identified in the FCC's Staff Report, I welcome withdrawal of this application.

The competition concerns are well known and profound. A merged AT&T and T-Mobile would vest approximately 75 percent of the mobile market in two sets of hands. That type of consolidation—in a market already overly consolidated—deserves the close, hard look that our FCC staff has given it. The Staff Report finds, in great and compelling detail, that the transaction raises “significant competitive concerns” in the mobile market, and “substantial and material” questions about its competitive effects on roaming, wholesale, and resale services, backhaul, and handsets. The Staff Report further finds that the parties’ claim that this deal would lead to lower prices is flawed and over-estimates the benefits that would be passed on to consumers.

This agency’s charge under the Communications Act is to look at not just the competitive effects but also the broader public interest implications of an acquisition. Despite repeated claims that this transaction will be a significant job creator, the staff, after thorough review, could make no such finding. Here is something else worth highlighting: T-Mobile has built a business model targeting budget-conscious consumers. With lower-income consumers increasingly thinking of mobile as their only broadband service, and with no guarantee the new entity will continue to serve this population, many consumers may find themselves priced right out of broadband. That is not a direction the country can afford to go.

While I welcome withdrawal of this application, I would like to think we will no longer be expending significant FCC resources to examine this paradigm-shifting and complex transaction. I would hope the withdrawal is not a strategic gambit along the road to resubmission of this or a similar application in the months ahead. That would not strike me as a good route to travel. The significant resources the Commission has spent over these last seven months analyzing this proposed acquisition—and so many other consolidations that have come our way during my ten years here—would have been much better spent furthering the goals of competition, consumer protection and the public interest.

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