



# Department of Justice

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AT  
(202) 514-2007  
TTY (866) 544-5309

## **DEPARTMENT OF JUSTICE ANTITRUST DIVISION STATEMENT ON THE CLOSING OF ITS INVESTIGATION OF THE T-MOBILE / METROPCS MERGER**

WASHINGTON – The Department of Justice’s Antitrust Division issued the following statement today in connection with the closing of its investigation into the proposed transaction that would combine T-Mobile USA Inc. and MetroPCS Communications Inc.:

After a thorough review of the proposed transaction, the Antitrust Division has determined that the combination of T-Mobile and MetroPCS is unlikely to harm consumers or substantially lessen competition and has closed its investigation.

In this transaction, T-Mobile—one of four nationwide providers of mobile wireless services—will merge with MetroPCS, a provider in only certain regions of the country. As the department alleged in its 2011 case challenging the proposed merger of AT&T Inc. and T-Mobile, many dimensions of competition in the mobile wireless industry take place at a national level, including plan pricing, device offerings and network technology. Like many local and regional providers, MetroPCS faces limitations, stemming from its lack of nationwide spectrum, networks and scale, and therefore exerts little influence on these aspects of mobile wireless competition.

The department considered whether the proposed combination of T-Mobile and MetroPCS might tend to lessen competition substantially in any particular local area, for instance by combining the two carriers with the best local coverage. MetroPCS has a network based on high frequency spectrum (i.e. advanced wireless services (AWS) and personal communications services (PCS) spectrum) that is less able to cover rural areas or penetrate buildings. It does not provide a particularly unique and competitively significant differentiated offering in the regions in which it operates. Each of the markets served by MetroPCS is also served by all four national carriers. Accordingly, the transaction is not likely to lessen competition substantially at local levels.

Finally, the proposed combination of T-Mobile and MetroPCS may have a procompetitive impact in that it improves T-Mobile’s scale and spectrum position, particularly since MetroPCS’s spectrum holdings are compatible with T-Mobile’s existing network.

The department said that it will continue to monitor competition in the mobile wireless industry and to bring enforcement actions where warranted.

T-Mobile is a Delaware corporation headquartered in Bellevue, Wash. T-Mobile is the fourth-largest mobile wireless telecommunications services provider in the United States as measured by subscribers, and serves approximately 33.3 million wireless connections to wireless devices. In 2012, T-Mobile earned mobile wireless telecommunications services revenues of approximately \$17.2 billion. T-Mobile is a wholly-owned subsidiary of Deutsche Telekom AG.

Deutsche Telekom AG is a German corporation headquartered in Bonn, Germany. It is the largest telecommunications operator in Europe with wireline and wireless interests in numerous countries and total annual revenues in 2011 of €58.7 billion.

MetroPCS is a Delaware corporation headquartered in Richardson, Texas. It is the fifth-largest mobile wireless telecommunications provider in the United States as measured by subscribers, and serves approximately 8.9 million customers. In 2011, MetroPCS earned mobile wireless telecommunications services revenues of \$4.8 billion.

The division provides this statement under its policy of issuing statements concerning the closing of investigations in appropriate cases. This statement is limited by the division's obligation to protect the confidentiality of certain information obtained in its investigations. As in most of its investigations, the division's evaluation has been highly fact-specific, and many of the relevant underlying facts are not public. Consequently, readers should not draw overly broad conclusions regarding how the division is likely in the future to analyze other collaborations or activities, or transactions involving particular firms. Enforcement decisions are made on a case-by-case basis, and the analysis and conclusions discussed in this statement do not bind the division in any future enforcement actions. Guidance on the division's policy regarding closing statements is available at: [www.usdoj.gov/atr/public/guidelines/201888.htm](http://www.usdoj.gov/atr/public/guidelines/201888.htm).

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