

Justice, AT&T agree to put off antitrust trial

December 12 2011, By NEDRA PICKLER , Associated Press

(AP) -- AT&T Inc. and the Justice Department agreed Monday to put off their upcoming antitrust trial over the phone company's proposed acquisition of smaller rival T-Mobile USA while the wireless carriers determine the fate of the deal.

U.S. District Judge Ellen Segal Huvelle quickly approved their motion to cancel their February trial and set a Jan. 18 hearing about the future of the deal.

The development comes as the \$39 billion deal is under increasing government opposition, with analysts now giving it a slim chance of going through.

In a statement, AT&T said it and T-Mobile's parent [company](#), Deutsche Telekom AG of Germany, want the delay "to allow the two companies time to evaluate all options."

"AT&T is committed to working with Deutsche Telekom to find a solution that is in the best interests of our respective customers, shareholders and employees," the statement said. "We are actively considering whether and how to revise our current transaction to achieve the necessary regulatory approvals so that we can deliver the capacity enhancements and improved customer service that can only be derived from combining our two companies' wireless assets."

The [Justice Department](#) sued to block the merger on Aug. 31. The government said the combination of the No. 2 and No. 4 cellphone

companies in the country would reduce competition and lead to higher consumer prices.

The two companies withdrew their application for the Federal Communications Commission to approve the deal three weeks ago after the commission's chairman came out against the deal. The companies said they would seek approval from Huvelle in the scheduled trial of the Justice Department's case and would file another FCC application later.

But they are now reconsidering that plan. At a hearing Friday, the Justice Department said there was no valid transaction to challenge since the FCC application was pulled and wanted the case dismissed or delayed. Huvelle expressed concern that AT&T was "using" the court and wasting taxpayer resources and had scheduled a hearing for Thursday on the fate of the case.

That hearing and all others including the six-week trial scheduled to start Feb. 13 are now off. Huvelle ordered that by Jan. 12, the companies must file a report "describing the status of their proposed transaction, including discussion of whether they intend to proceed with the transaction" or another transaction and the status of any related FCC proceedings and timetable.

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