

Sprint abandons T-Mobile bid

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US wireless carrier Sprint reportedly has decided to abandon a bid for rival T-Mobile, viewing the massive tie-up as unlikely to win regulatory approval

US wireless carrier Sprint has decided to abandon a bid for rival T-Mobile, viewing the massive tie-up as unlikely to win regulatory approval, the Wall Street Journal reported.

Sprint, which is controlled by Japanese giant SoftBank, had been close to a deal valued at some \$32 billion, according to several reports.

The Journal said on Tuesday that Sprint gave up after officials from the US Justice Department and Federal Communications Commission indicated they would oppose a deal merging the number three carrier Sprint with number four T-Mobile.

The report said Sprint was also planning to replace its chief executive Dan Hesse in a move that could be announced as early as Wednesday.

Queried about the report, Sprint and SoftBank declined to comment.

Earlier Tuesday, the Journal reported that T-Mobile has refused talks with French telecom operator Iliad, declining to even allow access to financial information for a bid.

Iliad made a surprise \$15 billion bid for a controlling stake in T-Mobile, seeking to merge the US operator with the similarly aggressive brand Free, which provides discount Internet and wireless access.

Iliad declined to comment on the report.



A T-Mobile shop is seen in Washington, DC, on August 1, 2014

The Journal, citing people familiar with the Iliad offer, said T-Mobile considers the offer too low and that there was no significant dialogue between the companies. The Financial Times also reported T-Mobile was preparing to reject the offer.

Iliad's founder Xavier Niel told the Journal last week the company's offer for US-based T-Mobile is "real" and that he is open to working with partners on a deal.

T-Mobile, majority owned by Germany's Deutsche Telekom, has boosted its subscriber based to over 50 million in the past quarter.

The Wall Street Journal said US regulators wanted to maintain the four major wireless carriers, fearing any new consolidation would hurt

consumers.

SoftBank's chief Masayoshi Son, during a US visit in March, had argued that a stronger number three carrier could better challenge the two market leaders, Verizon and AT&T.

In 2011, US regulators blocked AT&T's effort to buy T-Mobile, claiming it would be harmful to consumers and competition.

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