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For Immediate Release

Contact: Tracy Rosenberg (510) 684-6853

AT&T / T-Mobile Merger Bites the Dust

AT&T Formally Withdraws Attempt to Purchase T-Mobile USA

Washington DC - Signaling the tail end of a regulatory process that hasn't been going AT&T's way for some time, the telecom giant made formal the abandonment of plans to acquire T-Mobile USA from Deutsche Telecom. The announcement comes on the heels of a CA Public Utilities Commission investigation in July and August of 2011, a Department of Justice announcement of opposition to the merger on anti-competitive grounds and the Federal Communications Commission's refusal to approve the merger without an investigation.

AT&T, per the terms of its agreement with T-Mobile, will pay out approximately 6 billion dollars in cash and spectrum assets due to the deal's failure to proceed, greatly strengthening the financial stability of T-Mobile.

Media Alliance executive director Tracy Rosenberg said "the American public should be celebrating. It's pretty rare when a major corporate merger is stopped because the results would be higher costs and less choices for consumers. This is one of those rare times."

Regulators, in addition to expressing skepticism about the likely benefits for cell phone users in a 70% plus chokehold by Verizon and the AT&T/TMob combo, also expressed concern about the impact on T-Mobile's existing lower-income customer base, broadband buildouts in rural and other hard-to-serve areas, and whether innovation in the cell phone industry would have been negatively impacted by the huge increase in market concentration. A number of public interest groups also pointed to probable job losses as a result of the proposed merger.

Rosenberg added "Regulators regulated. There is no better Christmas present. Hopefully, this is only one of many public interest victories to come".

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