

## **MetroPCS Urges Shareholders to Follow FCC's Lead and Approve T-Mo Merger**

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*This story has been updated to include CWA's response to the FCC's approval of the T-Mobile, MetroPCS merger.*

Reports that surfaced earlier Tuesday claiming the FCC was nearing a favorable decision on the merger of T-Mobile USA and MetroPCS proved accurate.

The FCC Tuesday afternoon issued a declaratory ruling approving the transaction. In statement, FCC Chairman Julius Genachowski said the merger will strengthen competition in the U.S. wireless market.

"Today's action will benefit millions of American consumers and help the U.S. maintain the global leadership in mobile it has regained in recent years," Genachowski said.

Concurrent with the FCC's decision, MetroPCS sent a letter to stockholders that urged them to vote in favor of the merger. MetroPCS will hold a stockholder's meeting on April 12, 2013, to vote on the deal.

However, investors didn't immediately express their enthusiasm for the merger. Shares of the company were down just under 2 percent to \$10.31 following the commission's announcement.

Regulatory approval of the deal removes a big hurdle for T-Mobile to move forward with its "uncarrier" strategy and its subsequent rollout of LTE. T-Mobile's parent company, Deutsche Telekom announced the merger back in October of 2012. Deutsche Telekom has agreed to pay \$1.5 billion for 74 percent share of the company, while MetroPCS shareholders will hold onto the remaining portion.

In response to opposition from the Communication Workers of America (CWA), which argued that the merger would mean loss of jobs in the United States, the FCC said the record suggests otherwise, noting that the merger will enable "increased employment and bolster the long-term viability of the combined provider."

The FCC said the applicants have consistently maintained that they have no plans to move call centers offshore or to reduce employment levels at those call centers.

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CWA had argued in a recent filing with the FCC that T-Mobile and MetroPCS have already admitted there will be "job reductions" due to the merger.

"The synergies touted by T-Mobile and MetroPCS are indeed euphemisms for firing workers, and CWA believes the numbers reflected in those documents are significant, not 'small,'" the CWA wrote in a recent filing.

In an official response to Tuesday's ruling, CWA said it hopes T-Mobile USA will keep its word on retaining current employee levels.

"T-Mobile has now said publicly that the "synergies model" they shared with the Federal Communications Commission (FCC) assumes no layoffs, and we'll hold them to that," CWA wrote in an official statement.

The next steps in making the deal official will be approval from MetroPCS shareholders, as well as from the Committee on Foreign Investments because Deutsche Telekom is a German company.

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