

More Objections to T-Mo, MetroPCS Deal, but FCC May Be Close to Approval

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The FCC may be looking to approve Deutsche Telekom's proposed merger of its T-Mobile USA subsidiary and MetroPCS.

According to a filing with the FCC by the Communication Workers of America (CWA), which vehemently opposes the merger, the FCC may be seeking an order approving the deal at the bureau level instead of the commission level.

The CWA called the move "improper and inconsistent with FCC precedent," noting that the "\$30 billion proposed transaction, involving an estimated combined workforce of 38,000 positions, is larger than many transactions previously handled at the commission level, and larger than transactions typically handled at the bureau level."

Meanwhile, Deutsche Telekom responded in a filing to further opposition from the Greenlining Institute, which bills itself as a policy, research, organizing, and leadership institute working for racial and economic justice.

Greenlining is asking that the FCC wait to rule on the deal until Greenlining has a chance to review documents submitted by the applicants.

In its filing, Greenlining argues that Deutsche Telekom and MetroPCS submitted materials to the FCC on January 7, 2013, but objected to Greenlining's receipt of those documents on that same day. As a result, Greenlining did not receive copies of the materials until February 5, 2013.

Greenlining asserts that Deutsche Telekom and MetroPCS are encouraging the commission to "fast track" the proceeding, backing up CWA's claims that a decision may be imminent.

Deutsche Telekom has strongly objected to Greenlining's filing, saying Greenlining "has no justification for its failure to comply with the Commission's established deadlines for opposing or commenting on the proposed transaction and utterly fails in its effort to blame the Applicants for its own tardiness."

"In a game of regulatory keep-away, all that Greenlining does provide is a threat to file yet another untimely explication of its concerns in the future," Deutsche

Telekom wrote.

In its filing, Greenlining also asked that the FCC impose conditions on the merger if it does approve the deal. One of those conditions would be that Deutsche Telekom keep the MetroPCS and T-Mobile USA brands separate. Greenlining asserts that the loss of MetroPCS's low-cost offerings would harm competition and in the end, hurt consumers.

Deutsche Telekom returned fire, saying that Greenlining had not identified a "single public interest harm arising from the transaction," but was still pushing for restrictions that would "hamstringing the combined company into a five-year regulatory obligation to continue this plan on Greenlining-dictated terms irrespective of what real world consequences lay ahead."

Greenlining's concerns about the deal are in the minority, as much of the objections have been from CWA, which says that say the merger will result in job losses.

CWA claims 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 its filing.

The CWA also notes that 62 members of Congress submitted a letter to the FCC that proposed joining of T-Mobile USA and MetroPCS should include specific commitments to preserve and grow jobs here in the United States.

If approved, the merger would combine T-Mobile, with 30,000 employees and 33.2 million customers with MetroPCS, which directly employs 3,700 to service about 9.3 million customers.

Just last May, T-Mobile USA laid off 900 workers, which was partially offset by the addition of new employees. The company's call center workers were the primary targets of a round of layoffs in March of 2012 that closed seven facilities and slashed 1,900 jobs.

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