Report: Sprint Planning Bid for T-Mobile

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With Sprint reportedly working on a bid to buy T-Mobile, a widely speculated possibility could be moving closer to fruition.

The Wall Street Journal cited sources who revealed Sprint is studying up on the regulatory hurdles such a deal would have to clear and possibly planning on announcing the bid—reportedly higher than $20 billion—in the first half of 2014 [1].

Sprint declined to comment on the report.

The possibility of a wireless market winnowed down to three large competitors could be a difficult pill to swallow for antitrust officials. AT&T's proposed $39 billion purchase of T-Mobile was sunk by the Justice Department precisely because of antitrust concerns.

Sprint just closed out an active year for M&A, buying out Clearwire and agreeing to be acquired by Japanese carrier SoftBank for nearly $22 billion. SoftBank currently owns 80 percent of Sprint.

T-Mobile this year finished its acquisition of MetroPCS. Deutsche Telekom owns 67 percent of T-Mobile but as the report points out, the German carrier could be looking to leave the U.S. market.

Sprint has been making progress catching up to its competitors with its LTE network but hasn't managed to stop losing subscribers. Meanwhile, T-Mobile has added more than one million net subscribers in each of its last two financial quarters.

Still, Sprint's and T-Mobile's combined subscriber base would leave it in third place behind AT&T and Verizon Wireless. That could affect how regulators view the potential for antitrust concerns.

Speaking to Reuters in September, T-Mobile CFO Braxton Carter referred to a Sprint, T-Mobile merger as "the logical ultimate combination [2]."

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