

Report: SoftBank CEO Meeting with FCC Chairman Wheeler

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SoftBank CEO Masayoshi Son will meet Monday with FCC Chairman Tom Wheeler to discuss a possible merger of Sprint and T-Mobile.



Son, who also serves as Chairman at Sprint, will reportedly push for U.S. wireless industry consolidation and argue that a combined Sprint and T-Mobile stands a better chance against Verizon and AT&T. Sprint CEO Dan Hesse is also expected to attend the meeting, [according to the Wall Street Journal](#) [1].

Son and Hesse pleading the consolidation case with the FCC comes after last week when [U.S. Justice Department officials signaled reluctance to sign off on the rumored merger](#) [2].

Despite the resistance, SoftBank and Sprint are reportedly pushing forward. SoftBank and Deutsche Telekom (DT) have [entered direct talks](#) [3] in regards to DT's approximately 67-percent share of T-Mobile. The companies are reportedly hashing out issues like the value of the shares—which DT hopes to be compensated for with an all-cash deal—as well as how that combined company would be structured and which brand would remain in front.

Neither Sprint nor SoftBank have publically confirmed that a deal is in the works but T-Mobile CEO John Legere has been forthright in discussing the possibility. Legere has maintained that the merger would boost competition with AT&T and Verizon but he has also indicated that T-Mobile would not be interested in any deal that would disrupt the maverick brand it's built for itself.

Another discussion point between SoftBank and DT is a possible breakup fee attached to the merger deal. A large contributing factor to T-Mobile's current momentum was the breakup fee it received when in 2011 regulators blocked a

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proposed \$39 billion deal for AT&T to buy the smaller carrier. Valued at around \$7 billion, the breakup fee awarded T-Mobile both cash and spectrum assets out of the failed merger.

The DoJ's Bill Baer pointed to the \$4 billion network investment T-Mobile announced, just after the AT&T merger was blocked, as indication of thriving competition in the industry. Baer, assistant attorney general in the Antitrust Division, also noted the "un-carrier" initiatives launched by the revitalized T-Mobile, saying "these moves are paying off."

Of course, Son too has a history of competing, grabbing market share and playing tough with regulators in Japan. Using aggressive pricing and device buying power, Son's SoftBank has been able to close the gap on Japanese market leader NTT DoCoMo. Son's aggressiveness is directed toward regulatory issues as well. Last summer, he reportedly [delivered a heated diatribe](#) [4] to Japanese officials after 2.5 GHz licenses were given to SoftBank competitor KDDI. Son has also reportedly gone even more outlandish, threatening to set himself on fire inside of Japanese regulatory offices unless state-owned DoCoMo sped up its LTE build so SoftBank could use the network.

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