

## **Report: Sprint Getting Cold Feet on T-Mobile Merger**

Ben Munson

Sprint Chairman Masayoshi Son and CEO Dan Hesse are having second thoughts about their company's plans to buy T-Mobile.

In the wake of the passionate, public opposition the potential merger received from regulatory officials, Sprint is heading back to the drawing board, [according to the Wall Street Journal](#) [1].

In the past few weeks, Son and Hesse have met with Justice Department officials and FCC Chairman Tom Wheeler. Both regulatory meetings [yielded similarly strong skepticism](#) [2] about further consolidating the U.S. wireless market down to three major players.

The Journal reports that Sprint may still pursue Deutsche Telekom's 67-percent stake in T-Mobile but that it could be several weeks before the company decides to move ahead with its intended acquisition plans.

Officials have pointed to the competitive wireless industry that emerges since the FCC in 2011 blocked AT&T's \$39 billion bid to acquire T-Mobile. T-Mobile came away from that dashed deal with a big breakup fee that it put into expanding its network. Regulatory officials have repeatedly spoken about the need for four competitors in the U.S. wireless market.

Sprint and T-Mobile, on the other hand, have argued that their companies combined would represent a more robust competitor to AT&T and Verizon, the two U.S. carriers that currently dominate the market.

Despite the strong regulatory resistance that Sprint likely anticipated, the company is still reportedly close to lining up the funding for a T-Mobile deal. SoftBank, which last year bought a controlling stake in Sprint, is said to be in direct talks with Deutsche Telekom about buying T-Mobile.

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[1] <http://online.wsj.com/news/articles/SB10001424052702303874504579373242977741138?cb=logged0.4670603144913912>

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