SoftBank CEO Says U.S. Consolidation Needed to Make Sprint Number One

Ben Munson

SoftBank CEO Masayoshi Son said further consolidation is needed in order to make the U.S. wireless industry more competitive [1].

Son promised that if SoftBank can grow Sprint, then it can disrupt the U.S. market with aggressive pricing.

Son said that without consolidation, it's "literally just a dream" for Sprint to become the number one carrier in the U.S. He also criticized the large gap between the top two U.S. carriers, AT&T and Verizon, and numbers three and four, Sprint and T-Mobile, respectively. Son said those current market positions are not good for competition.

Although he declined to comment on a potential Sprint bid for T-Mobile, Son is reportedly actively pursuing a deal. SoftBank has reportedly entered direct talks with Deutsche Telekom in regards to buying the German carrier's 67-percent stake in T-Mobile.

Son, now Chairman of Sprint, and Sprint CEO Dan Hesse have been meeting with U.S. regulators [2] to discuss a possible Sprint-T-Mobile merger and have encountered strong skepticism from both the FCC and Justice Department. Since blocking AT&T's $39 billion bid for T-Mobile in 2011, the FCC and other regulators have placed high value on having four large competitors in the U.S. wireless market.

Son is coming out in strong favor of U.S. consolidation a day after Sprint reported quarterly losses but signaled a gradual turnaround to the big amount of customer losses the carrier has been experiencing over the last few quarters. SoftBank last year bought a controlling stake in Sprint and has pledged $16 billion over the next two years to help Sprint upgrade its nationwide LTE network.

Son argued that a lack of competition in the U.S. has led to overpriced service and slow networks. He said that AT&T and Verizon hold an "oligopolistic position [3]" in the U.S.

Source URL (retrieved on *08/21/2014 - 10:07pm*):
http://www.wirelessweek.com/news/2014/02/softbank-ceo-says-us-consolidation-needed-make-sprint-number-one

Links:

[1] http://www.bloomberg.com/news/2014-02-12/softbank-profit-beats-estimates-on-subscriber-growth.html
[2] http://www.wirelessweek.com/news/2014/02/report-softbank-ceo-meeting-fcc-chairman-wheeler
[3] http://www.reuters.com/article/2014/02/12/us-softbank-earnings-tmobile-idUSBREA1B0BZ20140212