

Deutsche Telekom CEO Predicts Tough Time for T-Mobile in Spectrum Auctions

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Deutsche Telekom CEO Timotheus Hoettges anticipates T-Mobile will have trouble competing with the likes of AT&T and Verizon in the FCC's upcoming spectrum auctions.

Hoettges said Verizon and AT&T generate more cash and handle more traffic than smaller competitors like T-Mobile and therefore have "deep pockets" for spectrum auctions, leaving smaller carriers in the dust.

The FCC has plans to auction off AWS spectrum in 2014 and to launch a long-awaited 600 MHz Broadcast Incentive auction by mid-2015. T-Mobile has been one of the most vocal smaller carriers in insisting the FCC adopt rules that make it easier for carriers other than AT&T and Verizon to get their hands on low-band spectrum. AT&T and Verizon currently control the majority of the U.S. wireless market and hold much more low-band spectrum than their competitors.

Hoettges [told the Wall Street Journal](#) [1] that T-Mobile can't be the "alibi" for an "oligopolistic market in the U.S." and said that consolidation is the "best option" for getting around that.

But, Hoettges last week [told Bloomberg](#) [2] that a standalone strategy is suiting T-Mobile just fine for now.

SoftBank CEO and Sprint Chairman Masayoshi Son confirmed this week his interest in acquiring Deutsche Telekom's 67-percent stake in T-Mobile. Son has lately [been critical of the U.S. wireless industry](#) [3], accusing U.S. carriers of having slow speeds and high prices. He has vowed that if Sprint, which SoftBank last year acquired, and T-Mobile are allowed to merge, he could launch a huge price war with AT&T and Verizon.

SoftBank last year, with U.S. regulators' blessings, spent nearly \$22 billion to acquire a majority interest in Sprint. But now the FCC and U.S. Justice Department have signaled heavy skepticism about SoftBank's potential bid for T-Mobile.

Regulators in 2011 squashed AT&T's \$39 billion bid to buy T-Mobile, citing anti-trust concerns.

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[1] <http://blogs.wsj.com/digits/2014/03/12/deutsche-telekom-ceo-t-mobile-us-will-struggle-in-spectrum-auctions/>

[2] <http://www.wirelessweek.com/news/2014/03/dt-ceo-says-t-mo-standalone-strategy-sufficient-now>

[3] <http://www.wirelessweek.com/news/2014/03/softbank-ceo-pans-us-wireless-market-appoints-new-regulatory-chief>