

Report: Deutsche Telekom Accepts SoftBank's Offer for T-Mobile

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Deutsche Telekom (DT) has reportedly accepted SoftBank's offer for T-Mobile, [according to Kyodo News](#) [1].

Reports surfaced earlier this year suggesting DT wanted an all-cash offer for its 67-percent stake in T-Mobile, [valued around \\$26 billion](#) [2].

If the reports are true, the deal would come less than one year after SoftBank [closed its \\$21.6 billion deal for a majority stake of Sprint](#) [3].

SoftBank CEO and Sprint Chairman Masayoshi Son has been loudly making a case for further consolidation in the U.S. wireless industry. Son's arguments have suggested that a combined Sprint and T-Mobile would be better equipped to take on the "duopoly" of Verizon and AT&T as well as improve service and pricing for U.S. wireless consumers.

U.S. regulators have thus far been cold on breaking up the current four-competitor landscape in the country. T-Mobile's recent resurgence as a disruptive presence has reinforced the FCC's and other regulators' views.

But with Comcast buying Time Warner and AT&T buying DirecTV, both in deals valued over \$45 billion, Son has a point of renewal for his consolidation case.

Besides upholding the current competitive wireless arena, other forces are at work against Sprint's bid to join up with T-Mobile. The FCC's recently proposed [revisions to its "spectrum screen"](#) [4] means the large swathes of 2.5 GHz airwaves Sprint got in its acquisition of Clearwire would now be considered in regulatory review. The addition puts Sprint near or over the threshold in many markets.

Sprint had asked the Commission to weight the spectrum included in the screen, arguing that sub-1 GHz spectrum—the majority of which is held by Verizon and AT&T—holds more value than airwaves in the higher bands.

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[2] <http://www.bloomberg.com/news/2014-01-19/softbank-said-to-enter-direct-talks-on-sprint-t-mobile-deal.html>

[3] <http://www.wirelessweek.com/news/2013/07/softbank-sprint-clearwire-deal-officially-done>

[4] <http://www.wirelessweek.com/news/2014/05/carriers-others-respond-fcc%E2%80%99s-spectrum-screen-incentive-auction-rules>