

Tone Deaf ATT Attacks FCC Over T Mobile Layoffs.

Clearwire's Abundant Spectrum Can Solve T's Shortage

Hey, [FCC](#) Chairman Genachowski! “Can you hear me now?” Somehow, [AT&T](#) never figures it out and keeps burning regulatory bridges. First they ignored the facts of how monopolistic their proposed merger with [T Mobile](#) really and truly was. When you are going to control up to 72% of the traffic in certain markets, you must be fooling yourself or very naïve that such a merger would fly past the regulators. Not surprisingly, the merger went down in flames. A key argument for the deal was that both companies were short of spectrum and somehow this combination would magically produce it. That denied the reality that neither T-Mobile nor T had any excess capacity

longer term to redeploy had they been allowed to merge. That deal was never going to solve its bandwidth problems.

Next AT&T also claimed that the merger was going to retain jobs, if not create them. Just ask Mitt Romney, who loves to fire people, about all the synergies you usually create when you put two companies together.

The whole point of most mergers is to consolidate and reduce labor and other redundant costs. You never need two CEO's or two CFO's or two call centers where one will do. AT&T spoke, instead, about all the jobs they would bring back to the U.S. and/or keep in the call centers they had here. The Regulators didn't find that argument credible. We unraveled why the

unions were in favor of that nonsensical aspect in a previous article. It turned out the unions were going to gain lots of new members at T Mobile where they had never successfully organized the workforce. In recent days, T-Mo announced hundreds of call center layoffs so T, shortsightedly, took that as an opportunity to mouth off.

One surely wonders, If T was so worried about not having enough spectrum, then why did it craft a break up fee such that T-Mobile received spectrum worth \$1 billion plus \$3billion in cash? Why on earth would you give any spectrum away? Deutsche Telekom really wanted out of the U.S. market and negotiated a fabulous package for itself. Now, \$4 billion richer than it was before all this started, T-Mobile needs to get its

house in order and streamline itself while it figures
out its next move.