

Well for anyone paying attention to telecom news it was announced this week that MetroPCS will merge with T-Mobile USA assuming regulatory approval is granted by the U.S. Department of Justice and the FCC. T-Mobile's parent company Deutsche Telekom AG will combine T-Mobile with MetroPCS and spinoff the newly combined company which is expected to retain the T-Mobile moniker. This merger is nowhere near as bad as the AT&T T-Mobile merger would have been but it is concerning. This means there will be one less choice in wireless service providers for consumers to choose from especially if MetroPCS is shut down post-merger like AT&T planned to do with T-Mobile. That is if it is not maintained as a subsidiary of T-Mobile the way Sprint Nextel has maintained Boost Mobil & Virgin Mobil then without doubt there will be less competition in the wireless market. However, the merger may put T-Mobile in stronger footing allowing it to compete more vigorously with the 2 dominant carriers AT&T Mobility and Verizon Wireless.

Of course news reports are also indicating the combined company could challenge Sprint Nextel in the pre-paid market and that Sprint possibly weakened by this merger between T-Mobile and MetroPCS might look to buy Leap Wireless (Cricket). As a result consolidation will continue among the smaller carriers which is also concerning but not as concerning as deals involving AT&T and Verizon Wireless. Furthermore if MetroPCS which runs an incompatible CDMA 3G network that uses a different network technology than T-Mobile's GSM network technology (also used by AT&T; CDMA by Verizon, Sprint and MetroPCS) goes out of business post merger it threatens retail jobs, jobs of network technicians at MetroPCS etc and possibly customer service jobs. The deal may be anti competitive but not as anti competitive as AT&T T-Mobile. Therefore it can be remedied with the right mix of regulatory conditions. Conditionally I think this merger can be approved.