



September 16, 2011

**ATTORNEY GENERAL MADIGAN JOINS JUSTICE DEPARTMENT IN LAWSUIT
TO BLOCK AT&T'S ACQUISITION OF T-MOBILE**

Chicago — Attorney General Lisa Madigan joined the federal government today in its effort to block AT&T Inc.'s proposed acquisition of T-Mobile USA Inc. The DOJ filed the civil antitrust lawsuit in U.S. District Court for the District of Columbia on August 31, 2011 to enjoin the acquisition and amended the complaint today adding Illinois and six other states as plaintiffs.

"The proposed \$39 billion transaction would substantially lessen competition for mobile wireless telecommunications services in Illinois and across the United States," said Madigan. "Blocking this acquisition protects consumers and businesses against fewer choices, higher prices, less innovation, and lower quality service."

AT&T's acquisition of T-Mobile would reduce the number of national competitors to three and eliminate a company whose low pricing and product innovation have made it an aggressive competitor in the mobile wireless telecommunications marketplace.

Four nationwide providers – AT&T, T-Mobile, Sprint and Verizon – account for more than 90 percent of mobile wireless connections. According to the complaint, AT&T and T-Mobile compete head to head nationwide. They also compete nationwide to attract business and government customers. In addition, wireless customers across the country face similar choices from the four national competitors regardless of whether local or regional carriers also compete in any particular local area.

The complaint also describes the competitive limitations of regional providers, resulting from their lack of national networks. Similarly, it concludes that entry by a new provider would be difficult, time-consuming, and expensive, requiring among other things nationwide spectrum, the construction of a nationwide network, scale economies arising from having tens of millions of customers, and a strong brand.

AT&T's efforts to increase its own already substantial scale economies through this transaction underscore the difficulties any new entrant would have in entering in a timely manner and with sufficient scale to thwart the competitive harm resulting from the proposed acquisition.

The complaint also concludes that the defendants have not been able to demonstrate merger-specific benefits that would sufficiently outweigh the proposed merger's anticompetitive effects.

AT&T entered into an agreement on March 20, 2011, to purchase T-Mobile's stock from its parent, Deutsche Telekom AG, with the intent to combine the two companies' mobile wireless telecommunications businesses.

Antitrust Bureau Chief Robert Pratt and Assistant Attorney General Chadwick Brooker are handling the case for Attorney General Madigan's office.

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