

California Public Utilities Commission
505 Van Ness Ave., San Francisco

FOR IMMEDIATE RELEASE

PRESS RELEASE

Media Contact: Terrie Prosper, 415.703.1366, news@cpuc.ca.gov

CPUC TO EVALUATE AT&T'S PROPOSED ACQUISITION OF T-MOBILE

SAN FRANCISCO, June 9, 2011 - The California Public Utilities Commission (CPUC) today said it will look into AT&T's proposed acquisition of T-Mobile USA, Inc. in order to investigate, gather, and analyze information relevant to the proposed merger's effects on the California economy and California consumers.

The CPUC will analyze whether to apply any conditions that would mitigate any California-specific effects of the merger, and whether the CPUC will need to take any further action. In addition, the information the CPUC gathers will create a record that the CPUC can relay to the Federal Communications Commission (FCC) in conjunction with the FCC's review of the proposed merger.

In launching the investigation, the CPUC noted that the two companies, through their California subsidiaries, once merged, would have a combined total of approximately 20 million California wireless telephone and data customers, and more than 47 percent of the California wireless market. The proposed merger, if effected, would leave the affiliates of California's two largest local telephone companies, AT&T California and Verizon California Inc. with more than 77 percent of the California wireless telephone market, including both voice and data. That projected market share would be an increase from the companies combined current market share of 65 percent.

"We recognize that the wireless market is dynamic and growing, having gained more than 100 million customers since 2002. Yet, the potential for greater wireless market concentration, and specifically, a greater potential concentration in California than nationally, prompts us to gather facts and receive comments," said Commissioner Catherine J.K. Sandoval. "Our examination will address a number of issues, including what is the relevant market, will the proposed merger maintain or

improve the quality of service, whether T-Mobile's lower-priced plans would continue to be available to customers, and whether the proposed merger, overall, is in the public interest."

In the course of the review, the CPUC will hold public workshops to obtain input on issues ranging from competition in underlying transport of telecommunications traffic to innovation in wireless handsets and offerings and customer care issues. In addition, the CPUC will hold public participation hearings specifically to hear directly from members of the public; those hearings will be in July and will be held in several locations in T-Mobile's service area.

The CPUC has set an aggressive timeline for this proceeding, with a target decision date in early October.

The proposal voted on today is available at

http://docs.cpuc.ca.gov/word_pdf/AGENDA_DECISION/136917.pdf.

For more information on the CPUC, please visit www.cpuc.ca.gov.

###