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AT&T Ends Bid For T-Mobile, Takes \$4B Penalty

By [Cecilia Kang](#)

AT&T said Monday it has ended its bid to purchase T-Mobile and will pay \$4 billion as a penalty for not completing its deal.

The decision puts an end to a rocky nine-month quest by the nation's second- and fourth-largest wireless operators to become the leader in an industry feeding America's insatiable appetite for smartphones, tablets and other wireless services.

After being rejected by federal regulators, AT&T and Deutsche Telekom, the parent company of T-Mobile, said it tried to find other options to salvage its deal. But they ultimately chose to end their agreement.

AT&T disagreed with the government's findings, saying in a statement that theirs "is one of the most fiercely competitive industries in the world."

"The AT&T and T-Mobile USA combination would have offered an interim solution to this spectrum shortage. In the absence of such steps, customers will be harmed and needed investment will be stifled," the company said in a statement.

Chief Executive Randall Stephenson called on federal regulators to stay out of the way of the free markets and to make more airwaves available to companies to bolster their networks.

"The mobile Internet is a dynamic industry that can be a critical driver in restoring American economic growth and job creation, but only if companies are allowed to react quickly to customer needs and market forces," Stephenson said.

By [Cecilia Kang](#) | 04:49 PM ET, 12/19/2011