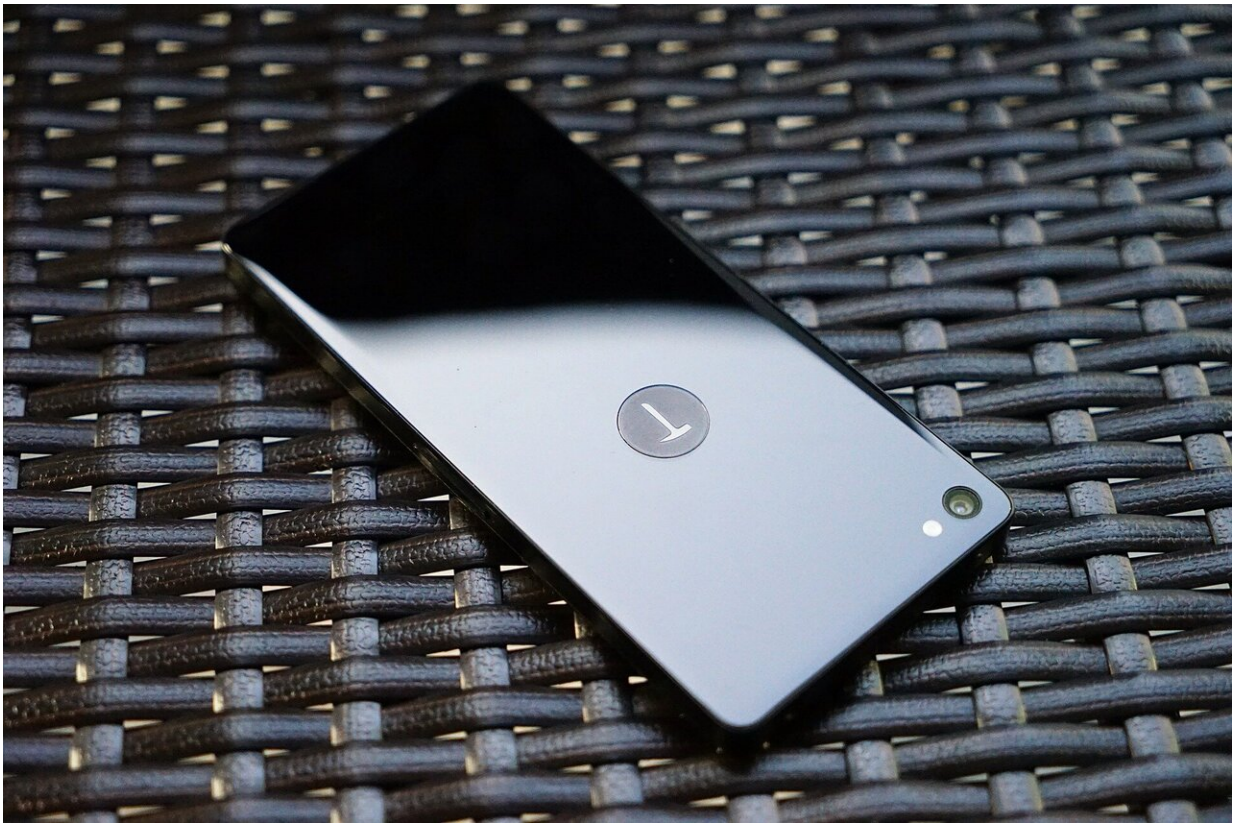


US DOJ has 'grave concerns' about T-Mobile network shutdown

August 10 2021, by David McLaughlin and Scott Moritz



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Antitrust officials at the U.S. Justice Department said they have "grave concerns" about plans by T-Mobile US Inc. to shut down the wireless network used by millions of Boost Mobile customers.

The department's worries were disclosed Monday in a regulatory filing by Dish Network Corp., which bought Boost as part of an antitrust settlement approved by the Justice Department that cleared the way for T-Mobile's takeover of Sprint Corp. last year. T-Mobile operates the 3G [network](#) known as CDMA that's used by Boost.

"The Division is left with grave concerns about the potential for a nationwide CDMA shutdown to leave a substantial proportion of Boost's customers without [service](#)," the acting head of the department's antitrust division, Richard Powers, wrote to Dish and T-Mobile in a July 9 letter.

The dispute over the network, which T-Mobile plans to decommission on Jan. 1, is threatening the elaborate antitrust deal brokered by the Trump administration's Justice Department, which allowed T-Mobile to buy Sprint even though the deal consolidated the mobile phone market to three national players. The Justice Department had long said four players were needed to ensure the market is competitive.

Under the government's plan, Dish bought Boost, Sprint's prepaid service, to help create a fourth wireless carrier while creating an enlarged T-Mobile that could take on AT&T Inc. and Verizon Communications Inc.

Dish Chairman Charlie Ergen said on the company's earnings call Monday that the majority of Boost's 9 million customers are on the T-Mobile CDMA network and they're now at risk of losing service.

"Our projections show a material amount of customers on Jan. 1 will lose their service, and again this is the most economically challenged group in America, so I think it's even more important that these people don't lose our service," Ergen said.

T-Mobile, the No. 2 U.S. wireless carrier, has a seven-year network-

sharing agreement with Dish, but most Boost customers have phones that aren't compatible with T-Mobile's 4G and 5G technology. Millions of Boost customers will need new phones if the 3G network is shut off as planned, according to Dish.

The dispute forced Dish to seek other partners to help roll out what's designed to be the No. 4 mobile service. Last month, Dish entered a 10-year, \$5 billion network-sharing agreement with AT&T, giving Dish's wireless service national reach.

"This is a manufactured crisis, orchestrated by Dish, and it is about money, not customers," T-Mobile Chief Executive Officer Mike Sievert wrote on a company blog Monday. "If Dish was really concerned for customers, they would simply take real action and get their customers new phones on time, before the network upgrade happens, just as T-Mobile is doing for affected Sprint customers. It's that simple."

The Justice Department said in its letter that the antitrust settlement could be violated "by one or both" companies if the network shutdown "strands a substantial proportion of Boost customers, particularly if either or both parties have not taken all appropriate steps to affirmatively alleviate any such harms."

If the Justice Department determines terms of the settlement have been violated, it may go to court to enforce the agreement, according to the letter.

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Citation: US DOJ has 'grave concerns' about T-Mobile network shutdown (2021, August 10) retrieved 10 April 2024 from

<https://techxplore.com/news/2021-08-doj-grave-t-mobile-network-shutdown.html>

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