



Department of Justice

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JUSTICE DEPARTMENT REQUIRES DIVESTITURES IN AT&T'S ACQUISITION OF CENTENNIAL

Divestitures in Eight Cellular Marketing Areas Will Preserve Competition for Mobile Wireless Customers in Louisiana and Mississippi

WASHINGTON – The Department of Justice announced today that it will require AT&T Inc. (AT&T) to divest assets in eight areas in Louisiana and Mississippi in order to proceed with its \$944 million acquisition of Centennial Communications Corp. (Centennial). The Department said that the transaction, as originally proposed, would substantially lessen competition to the detriment of consumers of mobile wireless telecommunications services in those areas, and likely would result in higher prices, lower quality and reduced network investments. The divestitures cover portions of southwestern and central Louisiana and southwestern Mississippi.

The Department's Antitrust Division, along with the Attorney General of Louisiana, filed a civil lawsuit today in U.S. District Court for the District of Columbia to block the proposed acquisition of Centennial by AT&T. At the same time, the Department and the Louisiana Attorney General filed a proposed settlement that, if approved by the court, would resolve the competitive concerns in the lawsuit.

"These divestitures are necessary to preserve the benefits of competition for wireless customers in these areas of Louisiana and Mississippi," said Christine A. Varney, Assistant Attorney General in charge of the Department's Antitrust Division."

According to the complaint, AT&T and Centennial are each other's closest competitor for a significant set of customers in eight Cellular Marketing Areas (CMAs), as defined by the Federal Communications Commission (FCC). The complaint alleges that the proposed transaction would substantially reduce competition for mobile wireless telecommunications services in each of these areas. The proposed settlement requires divestitures in these areas to eliminate the competitive concerns.

AT&T is the second largest mobile wireless telecommunications services provider in the United States as measured by subscribers, serving almost 80 million subscribers throughout all 50 states. In 2008, AT&T earned mobile wireless telecommunications services revenues of approximately \$44 billion. Centennial is the eighth largest mobile wireless telecommunications services provider in the United States as measured by subscribers, and provides mobile wireless telecommunications services to approximately 1.1 million wireless subscribers in six states,

Puerto Rico, and the U.S. Virgin Islands. In 2008, Centennial earned approximately \$1 billion in total revenues.

The transaction also is subject to review by the FCC. The Department has cooperated with the FCC's separate review of this matter.

As required by the Tunney Act, the proposed settlement, along with the Department's competitive impact statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed settlement during a 60-day comment period to Nancy M. Goodman, Chief, Telecommunications and Media Enforcement Section, Antitrust Division, U.S. Department of Justice, 450 Fifth Street, N.W., Suite 7000, Washington, D.C. 20530. At the conclusion of the 60-day comment period, the U.S. District Court for the District of Columbia may enter the proposed settlement upon finding that it is in the public interest.

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