

AntitrustConnect Blog

AT&T/T-Mobile Deal, Antitrust Division Regional Office Closures Addressed at Justice Department Oversight Hearing

Jeffrey May (Wolters Kluwer) · Tuesday, November 8th, 2011

While Attorney General Eric Holder spent much of his time at today's Senate Judiciary Committee Department of Justice Oversight [hearing](#) responding to question's about the "Fast and Furious" law enforcement operation, he also was asked to provide his thoughts on some recent developments at the Antitrust Division.

Senator Herb Kohl (D-WI), chairman of the Senate Antitrust, Competition Policy and Consumer Rights panel, questioned the Attorney General on the Justice Department's readiness to pursue its court challenge to block AT&T Inc.'s planned acquisition of T-Mobile USA, Inc. The Senator sought confirmation from the Attorney General that the Justice Department was prepared to take the [case](#), which was filed in August, to trial.

Senator Kohl, who supports the Justice Department's challenge to transaction, noted that commentators had questioned whether the Justice Department was in the case for the long haul or whether it might accept a settlement that quickly brings the matter to a close without adequately protecting competition. The transaction, valued at approximately \$39 billion, would reduce from four to three the number of national cell phone companies, Senator Kohl explained.

AG Holder, who has recused himself from the AT&T/T-Mobile case, said that he was sure that that Deputy Attorney General Jim Cole and the people in the Antitrust Division were committed to seeing the case through. Noting that there was a trial team in place and they were ready and eager to go to court, AG Holder explained that the Justice Department did not file merger challenges in court unless it was prepared to see them through to trial.

Near the end of the hearing, Senator Al Franken (D-MN) said that he wanted to align himself with Senator Kohl's comments on AT&T/T-Mobile merger. Adding that "the Antitrust Division sat largely dormant under previous Administration," Senator Franken said that he was pleased that the Justice Department, under AG Holder's leadership, was "willing to send a message that antitrust law is still relevant and should be applied to block large, anticompetitive mergers."

Antitrust Division Regional Office Consolidation

AG Holder was also asked to comment on the Justice Department's recently-announced plans to close four of its seven Antitrust Division regional offices. Offices in Atlanta, Cleveland, Dallas, and Philadelphia would be closed, leaving regional offices in Chicago, New York, and San

Francisco in addition to the office in Washington, D.C. Positions would be reassigned, and the closings are intended to save approximately \$8 million, according to an October 5 Justice Department [announcement](#).

Senator Kohl expressed doubts about the proposal. He noted that some of the Antitrust Division staff members in the regional offices that are set to be shuttered argue that they are responsible for collecting hundreds of millions of dollars in fines for criminal antitrust violations that far outweigh the savings from closing the offices.

“It was a tough decision that we had to make,” said AG Holder. “I don’t think that the reconfiguring of the Antitrust Division and these field offices will have a negative impact,” he added. “We can continue to be effective even under the reconfigured structure that we have proposed.”

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