

AG James: T-Mobile/Sprint Megamerger Remains a Bad Deal for Consumers, Innovation, and Workers

*Proposed Deal with DISH is Based on Speculative Promises,
Throwing Risk of Failure on Backs of Consumers*

NEW YORK – Attorney General Letitia James today led a coalition of 14 Attorneys General from across the nation expressing concern about a newly announced deal — approved, in principle, by the United States Department of Justice (DOJ) — supporting the proposed megamerger between telecommunications giants T-Mobile US Inc. and Sprint Corporation.

“The promises made by DISH and T-Mobile in this deal are the kinds of promises only robust competition can guarantee,” said **Attorney General Letitia James**. “We have serious concerns that cobbling together this new fourth mobile player, with the government picking winners and losers, will not address the merger’s harm to consumers, workers, and innovation.”

The states' lawsuit — originally filed on June 11 in United States District Court for the Southern District of New York — to block the merger of T-Mobile and Sprint, alleges that the merger of two of the four national mobile network operators would harm mobile subscribers nationwide by reducing access to affordable, reliable wireless service, hitting lower-income and minority communities particularly hard. The coalition today reaffirmed its commitment to opposing this merger, which would reduce competition and increase prices for consumers.

Earlier today, the DOJ indicated it would approve the merger of T-Mobile and Sprint based on promises made by the two companies, including an agreement to divest Sprint’s prepaid subscription service and potentially a slice of its wireless spectrum to satellite TV operator DISH. Though DISH has never owned any kind of mobile wireless business and has no experience building or operating a nationwide mobile wireless network, both T-Mobile and Sprint claim that this deal will create a fourth national network operator that will step into Sprint’s shoes and preserve a competitive market for consumers.

Based on the information available to date, the states continue to have serious concerns with the merger and whether the deal with DISH will create a fourth independent competitor that addresses the loss to competition otherwise caused by this megamerger. Among those concerns:

1. DISH has never shown any inclination or ability to build a nationwide mobile network on its own and has repeatedly broken assurances to the Federal Communications Commission about deployment of its spectrum;
2. DISH does not have the network to operate as an independent competitor, like Sprint does today, and will, instead, remain reliant on the T-Mobile network for the foreseeable future; and
3. T-Mobile and Sprint are asking Americans to trust that this new mega corporation will act directly against its own economic interests by helping transform DISH into an independent competitor that rivals this new company.

The states remain committed to protecting competition in the marketplace and lowering prices for consumers.

In addition to New York, the plaintiffs currently include California, Colorado, Connecticut, the District of Columbia, Hawaii, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Nevada, Virginia, and Wisconsin.

T-Mobile currently has more than 79 million subscribers, and is a majority-owned subsidiary of Deutsche Telekom AG. Sprint Corp. currently has more than 54 million subscribers, and is a majority-owned subsidiary of SoftBank Group Corp.

The matter is being handled by Antitrust Bureau Chief Beau Buffier; Deputy Antitrust Bureau Chief Elinor R. Hoffmann; Chief Economist Peter Malaspina; Assistant Attorneys General Morgan Feder, Michael Jo, Jeremy R. Kasha, Beatriz Marques, Javier Ortega, Kris Perez Hicks, Amber Wessels-Yen, and James Yoon; Data Analyst William Greenlaw; Legal Assistant Arlene Leventhal; and Chief Deputy Attorney General for Economic Justice Christopher D'Angelo.

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