

PRESS RELEASE

AG Healey Joins Lawsuit to Block Merger of T-Mobile and Sprint

13 State Coalition Alleges that the Merger is Anti-competitive, Will Raise Prices for Consumers

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BOSTON — Attorney General Maura Healey joined 13 states and the District of Columbia today in filing a lawsuit to halt the proposed merger of telecom giants T-Mobile and Sprint. The AGs allege that the merger of two of the four national mobile network

operators would deprive consumers in Massachusetts and across the country of the benefits of competition and drive up prices for cellphone services.

“Millions of Americans rely on mobile devices at work, at home, and to organize their lives. Competition between the mobile companies has resulted in better coverage and cheaper, more reliable service for all of us,” said AG Healey. “Our year-long investigation found that the proposed merger would give the new company the power to raise prices, significantly reduce competition for customers, lower quality, and cost thousands of retail workers their jobs. We are challenging this merger to protect a service that matters to everyone.”

T-Mobile US Inc. and Sprint Corp. are the third and fourth largest mobile wireless networks in the U.S. and are the lower-cost carriers among the “Big Four,” which includes Verizon Wireless and AT&T. T-Mobile has more than 79 million subscribers and Sprint Corp has more than 54 million subscribers.

Competition between T-Mobile and Sprint has lowered prices and improved phone service for all mobile phone subscribers. Since 2009, the average cost of mobile service in the United States has fallen by roughly 28 percent, according to the U.S. Department of Labor, while mobile data consumption has grown rapidly. Currently, the average U.S. household spends approximately \$1,100 annually on cellphone services. For many families, especially those with lower incomes, even a small price increase can result in suspension or cancellation of service.

While T-Mobile and Sprint have claimed that their merger would improve both speed and capacity of phone service, the states’ investigation found that many of the promised benefits were unverifiable and would not materialize for years, if ever.

If the companies merged, the states allege that the combined company would immediately have the power and incentive to raise prices, while cutting quality. Additionally, the merger would harm thousands of independent mobile wireless dealers across the nation. The plaintiff states believe that further consolidation at the carrier level may lead to a substantial loss of retail jobs, as well as lower pay for remaining workers.

The plaintiff states contend that continued competition among the four national carriers, not further concentration, is most likely to spur rapid development of a nationwide 5G

network and other pro-consumer innovations.

The complaint was filed in United States District Court for the Southern District of New York.

In addition to Massachusetts, and led by New York and California's Attorneys General, the plaintiff jurisdictions are Colorado, Connecticut, the District of Columbia, Hawaii, Maryland, Michigan, Minnesota, Mississippi, Nevada, Virginia, and Wisconsin.

This matter is being handled in Massachusetts by Assistant Attorney General and Division Chief Will Matlack, Assistant Attorney General and Deputy Division Chief Michael MacKenzie, Assistant Attorney General Matthew Frank, and Economic Analyst Grace Bradshaw, all of the AG Healey's Antitrust Division.

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Attorney General Maura Healey is the chief lawyer and law enforcement officer of the Commonwealth of Massachusetts.

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