



(<http://www.ago.state.ms.us>)

Search

Office of the Attorney General State of Mississippi

□ *Jim Hood, Attorney General*



(<http://www.ago.state.ms.us/about>)

⇒ Navigate

MISSISSIPPI ATTORNE... ([HTTP://WWW.AGO.STATE.MS.US](http://www.ago.state.ms.us))> > AG Hood Files Suit...
/ [PRESS RELEASES \(HTTP://WWW.AGO.STATE.MS.US/PRESS-RELEASES/\)](http://www.ago.state.ms.us/press-releases/)

AG HOOD FILES SUIT TO BLOCK T-MOBILE, SPRINT MEGAMERGER

June 11, 2019



States allege merger is anticompetitive and will ultimately drive-up prices for consumers throughout the country

Attorney General Jim Hood joined nine states Tuesday in filing a multi-state lawsuit to halt the proposed merger of telecom giants T-Mobile and Sprint. The complaint, which was filed in New York federal court, alleges that the merger of two of the four national mobile network operators would deprive consumers of the benefits of competition and drive up prices for cellphone services.

“We’re trying to stop this merger because Mississippi customers would not benefit from the merger, but it would likely increase prices in the long run for them,” General Hood said. “Competition creates a healthy market, and a merger like this one would reduce options for consumers.”

T-Mobile US Inc. and Sprint Corp. are the third and fourth largest mobile wireless networks in the U.S., respectively, and are the lower-cost carriers among the “Big Four.” Verizon Wireless and AT&T — the two largest wireless networks — round out the market. Intense competition, spurred in particular by T-Mobile and Sprint, has meant declining prices, increased coverage, and better quality for all mobile phone subscribers. Since 2009, the average cost of mobile service has fallen by roughly 28 percent, according to the Labor Department, while mobile data consumption has grown rapidly. However, the merger would put an end to that fierce competition, which has delivered so many benefits to consumers.

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 cellphone service. While T-Mobile and Sprint have made promises that their merger would offer lightning-fast speeds and increased capacity, the attorneys’ general investigation found that

many of the claimed benefits were not verifiable. Before filing suit, the states gave significant consideration to T-Mobile and Sprint's claims of increased coverage in rural areas. However, T-Mobile has yet to provide plans to build any new cell sites in areas that would not otherwise be served by either T-Mobile or Sprint. As stated in the complaint, the U.S. previously won the "race to LTE" as a direct result of vigorous competition among wireless carriers. Continued competition, not concentration, is most likely to spur rapid development of a nationwide 5G network and other innovations.

Additionally, the merger would harm thousands of hard-working mobile wireless independent dealers across the nation. The nine states and DC are concerned that further consolidation at the carrier level would lead to a substantial loss of retail jobs, as well as lower pay for these workers in the near future.

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 following states joined Mississippi in filing the complaint: California, Colorado, Connecticut, Maryland, Michigan, New York, Virginia, Washington, D.C., and Wisconsin.

Bookmark the permalink (<http://www.ago.state.ms.us/releases/ag-hood-files-suit-to-block-t-mobile-sprint-megamerger/>).

← **Previous** (<http://www.ago.state.ms.us/releases/canton-man-arrested-on-3-counts-of-insurance-fraud/>)

Next → (<http://www.ago.state.ms.us/releases/meridian-woman-going-to-prison-for-insurance-wire-fraud/>)

General Contact Info

MS Attorney General's Office
P.O. Box 220
Jackson, MS 39205

MS Attorney General's Office
Walter Sillers Building
550 High Street, Suite 1200
Jackson, MS 39201
Telephone: 601-359-3680

Contact Us By Email (<http://www.ago.state.ms.us/contact/>)

Site Navigation

Home (<http://www.ago.state.ms.us/>)

File A Complaint (http://www.ago.state.ms.us/form_categories/complaint-form/)

Divisions (<http://www.ago.state.ms.us/divisions/>)