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For Immediate Release
June 21, 2019

News Release 2019-33

Hawaii Joins Coalition of States Blocking T-Mobile and Sprint Megamerger

HONOLULU – Attorney General Clare E. Connors announced today that Hawaii has joined 13 other states in filing a multi-state lawsuit to halt the proposed merger of telecom giants T-Mobile and Sprint. The complaint, led by New York Attorney General Letitia James and California Attorney General Xavier Becerra was originally filed on June 11 with 10 Attorneys Generals. This morning, however, an amended version of the complaint was filed in New York federal court to add Hawaii, Massachusetts, Minnesota, and Nevada to the original list of plaintiffs: New York, California, Colorado, Connecticut, Maryland, Michigan, Mississippi, Virginia, Wisconsin, and the District of Columbia. The complaint alleges that the merger of two of the four largest national mobile network operators would deprive consumers of the benefits of competition and drive up prices for cellphone services.

“The proposed merger transaction raises significant antitrust concerns, which could adversely affect a consumer service that has become a necessary part of modern life,” said Attorney General Connors.

T-Mobile US Inc. and Sprint Corporation are the third and fourth largest mobile wireless networks in the U.S., and are the lower-cost carriers among the “Big Four” — Verizon Wireless and AT&T 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. According to the Labor Department, the average cost of mobile service has fallen by roughly 28 percent over the last decade, while mobile data consumption has grown rapidly. The merger, however, would put an end to that fierce competition, which has delivered a great number of benefits to consumers.

Currently, the average U.S. household spends approximately \$1,100 annually on cellphone services. And for many families, especially those with lower incomes, even a small price increase can result in suspension or cancellation of cellphone service.

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. And, as stated in the complaint, the U.S. previously won the “race to LTE” as a direct result of vigorous competition among wireless carriers. Finally, continued competition, not concentration, is most likely to spur rapid development of a nationwide 5G network and other innovations.

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.

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