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T-Mobile, Sprint Merger Would Harm Wireless Competition, Subscribers

Washington, DC (September 11, 2018) -- T-Mobile and Sprint's \$26 billion merger would reduce the number of major wireless carriers in the United States from four to three, critically reducing competition in the wireless marketplace and ultimately putting consumers at risk.

Both T-Mobile and Sprint have independently provided a vibrancy to the wireless market that is sorely needed. Both companies have led the way in offering innovative products for customers and competitive programs for low-income consumers, and in creating a vital resale market. Together these companies have encouraged a nimble, consumer-focused wireless landscape.

Combining the two companies would jeopardize that innovative spirit, reduce competition, and result in a market less responsive to the needs of local communities. T-Mobile and Sprint are not peanut butter and chocolate, they are peanut butter and mayo - two good things that don't go well together.

Reduced competition would specifically harm low-income consumers who depend on mobile service as their primary internet connection. Because of the existence of higher levels of competition in the wireless market than among home broadband providers, wireless providers have historically offered more competitive services for low-income consumers, such as lower prepaid options and credit check-free services, and have also supported a non-facilities based [resale market](#) that may offer more affordable packages.

A reduction in major players would very likely raise prices across the market, pushing mobile service out of reach for some who depend on it as a lower-cost option for access. While mobile subscriptions are not an adequate replacement for a fixed home connection, it is imperative that wireless options are kept on the table for those that cannot afford fixed home broadband. This option is particularly critical as Lifeline - the federal program that provides affordable phone and broadband service for low-income households - is in the process of being gutted by the Federal Communications Commission.

Finally, this merger is not necessary in order for T-Mobile or Sprint to pursue 5G deployments. In fact, T-Mobile announced in February, two months before a merger deal was reached, that it plans to build out 5G in [30 cities this year](#). In 2011, when AT&T attempted to eliminate competition by proposing to buy T-Mobile, it also claimed the merger was essential to expand 4G networks. That merger was denied - citing concerns that three major carriers would be too

few for healthy competition - without harming 4G rollout, and [investment increased](#) following the merger denial.

It is imperative that the federal government rejects the T-Mobile and Sprint merger and maintains a wireless landscape that encourages competition, innovation, and consumer protection.

“The proposed T-Mobile and Sprint merger is an industry giveaway that would just help private companies meet their bottom line,” says Deb Socia, Executive Director of Next Century Cities. “A consolidated telecommunications market does not benefit the consumer.”

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Next Century Cities is a non-profit membership organization of over 180 communities, founded to support communities and their elected leaders, including mayors and other officials, as they seek to ensure that all have access to fast, affordable, and reliable internet access. Next Century Cities celebrates broadband successes in communities, demonstrates their value, and helps other cities to realize the full power of truly high-speed, affordable, and accessible broadband. For more information, visit www.nextcenturycities.org.