

The T-Mobile/Sprint Merger Will Hurt African-American Consumers

The proposed T-Mobile/Sprint merger would disproportionately hurt African-American consumers, lead to higher prices, job cuts, and lower wages for workers.

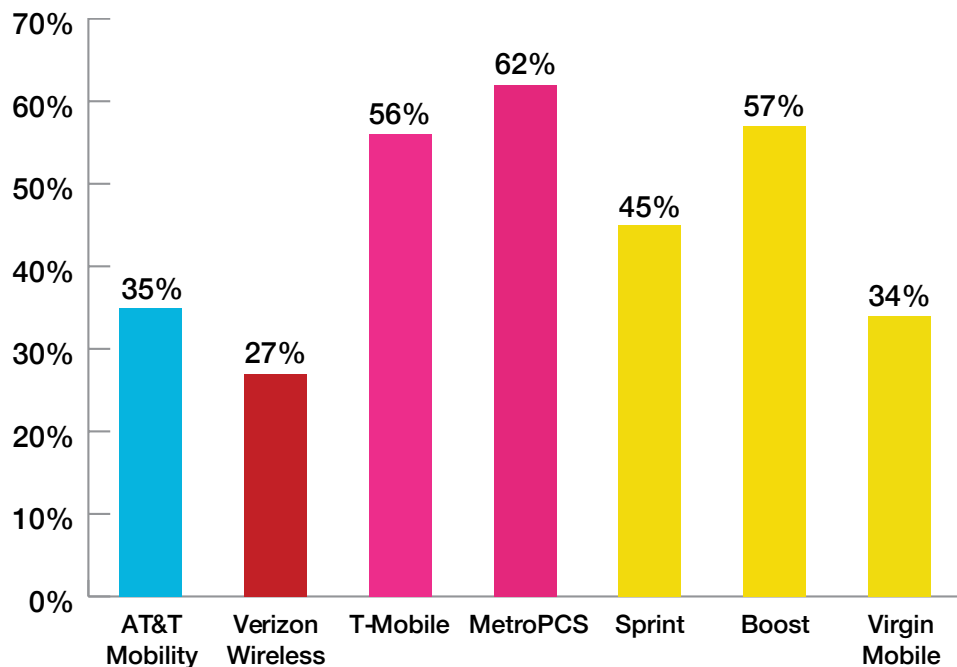
Less Competition Means Higher Prices

T-Mobile and Sprint compete for African-American customers. If the two companies merge, reduced competition would lead to significant price increases. **Economists estimate that the merger would increase prices as much as 15.5% on the new T-Mobile's prepaid plans and as much as 9.1% for postpaid plans.**¹

African-American Consumers Hit Hard

African-Americans are major consumers of wireless services. Roughly 98% of African-Americans own a cellphone and 75% of African-Americans own a smartphone.² About a quarter of African-Americans are smartphone dependent, meaning that they use smartphones as their primary means of internet access at home.³ T-Mobile, Sprint, and their prepaid subsidiaries (T-Mobile's MetroPCS and Sprint's Boost and Virgin Mobile) have a disproportionately high percentage of customers in communities of color: T-Mobile (56%), MetroPCS (62%), Sprint (45%), Boost (57%), and Virgin Mobile (34%).⁴ Post-merger, the new T-Mobile's African-American customers, many of whom depend on their smartphones for broadband access, could be priced out of the wireless market.

Percent of Each Carrier's Customers that are Persons of Color



Merger Particularly Harmful to Low- and Moderate-Income Prepaid Subscribers.

T-Mobile and Sprint's prepaid brands and their wholesale partners serve 60% of the prepaid market.⁵ The higher post-merger prices could particularly hurt prepaid customers, especially the customers of MetroPCS and Boost where people of color constitute the majority of their customer base.⁶

Significant Job Loss, Lower Wages

The proposed T-Mobile/Sprint merger would result in the loss of 30,000 jobs nationwide – 25,500 jobs eliminated as a result of overlapping retail store closures and 4,500 headquarters jobs due to duplicative functions.⁷ Many of the jobs at risk are held by African-American workers. Wages will suffer too because fewer wireless employers competing for labor leads to lower wages and benefits.⁸ Moreover, both T-Mobile and Sprint have a long track record of offshoring U.S. jobs and denying their employees their legal right to form a union.⁹

Rural America Still Left Behind

This merger would still leave the majority of rural Americans without access to high speed wireless. The companies' own FCC filings show that by 2024, 46 million Americans, mostly in rural areas, will still be left without access to the New T-Mobile's high-capacity network.¹⁰

The Bottom Line? Regulators should not approve the merger without verifiable and enforceable commitments to protect consumers and good jobs.

¹ [Joint Declaration of Joseph Harrington, Coleman Bazon, Jeremy Verlinda, and William Zarakas, The Brattle Group](#), Exhibit B, p. 10 of Petition to Deny of DISH Network submitted to Federal Communications Commission, Aug. 27, 2018.

² [Mobile Fact Sheet](#), Pew Research Center, Feb. 5, 2018.

³ *Ibid.*

⁴ [Free Press Petition to Deny](#), p. 70, Fig. 11, Aug. 27, 2018.

⁵ [DISH FCC Comments](#), pp. 75-76.

⁶ [Free Press Petition to Deny](#), p. 70, Fig. 11, Aug. 27, 2018.

⁷ [CWA Reply Comments](#), pp. 2-13, Oct. 31, 2018.

⁸ [CWA Comments](#), pp. 65-67, Aug. 27, 2018.

⁹ *Ibid.*, p. 60.

¹⁰ Declaration of Andrew Afflerbach, Ph.D., P.E., [CWA Comments](#), Appendix A, pp. 4-9