

**For Immediate Release**

## **COMMISSIONER STARKS STATEMENT ON SPRINT/T-MOBILE MERGER**

*Merger will harm consumers with higher prices and fewer options*

WASHINGTON, October 16, 2019—Today, Commissioner Geoffrey Starks voted against the Sprint/T-Mobile transaction. The following statement can be attributed to Commissioner Starks:

“The expert staff of the Commission and the Justice Department have agreed that the merger between T-Mobile and Sprint, as originally submitted, would likely harm competition and raise prices. Rather than denying that merger, however, the majority has turned to the parties for paper-thin commitments that they contend will expand broadband access and the deployment of 5G.

“But these promises cannot mask reality. You don’t need to be an expert to know that going from four wireless carriers to three will hurt competition. This merger takes a bad situation and makes it worse. Higher prices and fewer options across the country will inevitably result. Quite simply, the effects of this ill-conceived merger will hit low-income and rural communities hardest of all.

“This proceeding also has had unprecedented procedural irregularities. The deal approved today has changed significantly from the one that was originally proposed – twice. I have been clear: where there is a fundamental change in the structure of a proposed merger, it must be set out for public comment. This administration previously adhered to that practice, and our failure to do so here raises legal issues. Moreover, today’s approval comes despite our on-going investigation of Sprint for what appears to be the largest unlawful collection of universal service funds in FCC history. But instead of waiting until we have all the facts, we haphazardly push forward and hope for the best. The rush to judgment here is exemplified by the fact that it was only in response to questions from my office that the draft was amended at the last minute to explicitly preserve liability for these and any other potential violations.

“The Order concludes that the transaction will likely harm competition and raise prices, but that the parties’ commitments to expand service and divest assets will mitigate these harms. But the analysis of how the benefits outweigh the harms is vague and unconvincing. The obligations imposed on the parties are so loosely drafted that meaningful enforcement will be impossible. The financial penalties for non-compliance will not effectively deter a company with billions of dollars in annual revenue. And the Order characterizes any penalties as tax-deductible “voluntary contributions,” meaning the American taxpayer will be left holding the bag for at least some of any penalties imposed on New T-Mobile.

“In short, I believe that T-Mobile and Sprint have not proven that their merger will benefit the public interest. Vague promises do not change what was true when this deal was first proposed and what remains true today – the harms from this merger are not overcome by any condition imposed in the majority’s order. While I hope for the sake of consumers that I am wrong, I fear that we will one day look back at this decision and recognize it as a moment that forever changed the U.S. wireless industry, and not for the better.”

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*This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).*