

April 26, 2022

Senate Judiciary Committee  
224 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Durbin, Ranking Member Grassley and all Members of the Committee:

President Joe Biden has made competition in the marketplace a keystone of his Administration, and pursuing this agenda is critical to ensuring a robust economy and fairness for American workers. My organization, Centrist Democrats of America (CDA) has been a leading voice for a strong federal enforcement of using laws and regulations to promote economic competition. The recent decision by the FTC to block the potential acquisition of Aerojet Rocketdyne by Lockheed Martin, is a victory for both military innovation and the American taxpayer.

Recently, my organization has decided to take a closer look at the recent acquisition of Sprint, by T-Mobile, which closed in April of 2020. In particular, CDA wants to highlight for you an issue that we believe deserves more attention and scrutiny: according to recent litigation filed in multiple state courts, T-Mobile shuttered 382 Sprint stores following the deal. These closures resulted in the loss of around 2500 jobs.

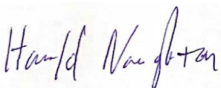
The terrible impact on small-to-medium business partners, dealers, and vendors who have worked with the telecom heavyweights before they merged is arguably the most underdiscussed aspect of this transaction. This matter is especially problematic, because before the closure of this deal, both Sprint and T-Mobile offered false promises to its vendors, its dealers – and regulators and lawmakers – that the merger would not affect the growth and viability of their businesses. In fact, T-Mobile CEO John Legere testified before Congress that, “Our merger will be jobs positive from day one – and going forward.”

Looking back, it appears the two telecom giants were manipulating their partners into accepting the merger. Because once the deal was done, T-Mobile coerced Sprint dealers into taking unfavorable new conditions and strong armed them out of business if they refused to comply. The merging companies not only violated standard business practices and regulations but also directly harmed the livelihoods of their dealers and employees – many of whom were minorities and people of color from vulnerable communities. Despite Sprint and T-Mobile having been fully aware of the adverse effects that their merger would have on their smaller business partners, the two telecom corporations chose to solely focus on their own profit.

In closing, CDA hopes you find this information useful, and urges the Senate Judiciary Committee to investigate the post-merger impact of this deal. After all, the way these Sprint retailers were treated creates a terrible precedent for marketplace competition and fair mergers and acquisitions. CDA urges lawmakers to seek solutions to ensure this type of unfortunate situation does not happen again.

Thank you for attention to this important matter.

Sincerely,



Hank Naughton  
Centrist Democrats of America

