To the U.S. Federal Communications Commission;

First of I’d like to be clear: Allowing Sprint and T-Mobile to merge is a very bad idea that the FCC under the Obama Administration was wise to reject. Consider this NYTimes article by Tim Wu “Letting Sprint and T-Mobile Merge is a Terrible Idea” I’d like to add the State of Mobile Wireless Competition is decent but will worsen with this proposed merger. Innovation can proceed with competition.

The merits of some mergers make for a close case, but the [proposed merger](https://www.nytimes.com/2018/04/29/business/dealbook/sprint-tmobile-deal.html?action=click&contentCollection=DealBook&module=RelatedCoverage&region=Marginalia&pgtype=article) between the mobile carriers Sprint and T-Mobile, which would create a new telecommunications behemoth, is not one of them. Basic economics strongly suggests the proposed combination should be dead on arrival, at least if the nation’s antitrust law still stands for competition and lower prices for consumers. In addition, the recent history of telecommunications and similar industries indicates that allowing consolidation to just three “majors” — Verizon, AT&T and the new T-Mobile (merged with Sprint) — is a terrible idea.

The problem for Sprint and T-Mobile is that they themselves have done such a good job of proving the merits of the four-way competition they now seek to eliminate. In 2011, the government held the line at four competitors by blocking a proposed merger between AT&T and T-Mobile, and it did so again in 2014, when it blocked an effort by Sprint to buy T-Mobile. Result: The “wireless wars” — intense price and service competition that even skeptics of government action concede [have been good for consumers](https://www.forbes.com/sites/greatspeculations/2017/06/27/u-s-wireless-price-wars-having-a-big-impact-on-consumers/#56f385ed60ca) and the economy.

T-Mobile, the self-proclaimed “uncarrier,” has done an admirable job of attacking termination fees, abusive contracts and other mistreatment — often outperforming regulators as an agent of consumer protection. Sprint, meanwhile, has come to excel in its role as a price-cutting maverick. Allow me to advertise for Sprint: Did you know that it offers a service for $60 with an unlimited data plan?

In short, competition has actually worked the way economists say it is supposed to, forcing firms to improve quality or face elimination. But it takes competitors to compete, which is where blocking mergers comes in. That’s a point well demonstrated by the case of the airline industry, where the government let the mergers happen. Over the last decade, Delta was allowed to buy Northwest, United to buy Continental, and American to buy US Airways, leaving behind just three majors. What happened next demonstrates the “curse of triopoly” in all its terrible glory.

If the 2010s were good years for mobile customers, they have not been happy years for airline passengers. Instead, the three major airlines spent the same period finding ways to give less for more: fewer flights (more crowded planes), smaller seats, fewer flight attendants, higher baggage and change fees and a stubborn resistance to lowering fares, even as oil prices plummeted. All this was made possible, indeed easy, given limited competition, for there was no “unairline” of national stature to keep the airlines honest. (Southwest came closest.) As a result, the airline industry has become astonishingly profitable — last year it made more than $5 billion in baggage and change fees alone — while the mistreatment of consumers has become a regular feature of the evening news.

So if you want the mobile industry to look more like the airline industry, the proposed merger of Sprint and T-Mobile is the one for you. But the chief executives of Sprint and T-Mobile, Marcelo Claure and John Legere, insist that they will be different, and have both now taken to dressing like aging rock stars to underline their maverick status. They say that they will still challenge Verizon and AT&T with low prices and have promised an enticing, Trump-tailored menu including the spending of billions of dollars on a 5G network, which they link to “[three million new jobs](https://www.cnbc.com/2018/04/30/first-on-cnbc-cnbc-transcript-t-mobile-us-ceo-john-legere-and-sprint-ceo-marcelo-claure-talk-merger-on-cnbcs-squawk-on-the-street-today.html),” while also presumably paying off some of Sprint’s $33 billion in debt.

It is safe to say that the mathematics don’t quite add up. T-Mobile and Sprint are already doing a good job threatening AT&T and Verizon with their lower prices and better contracts. The real effect of the merger will be to decrease the incentives of *anyone* in the industry to lower prices further and to provide plenty of new reasons to raise them. The new T-Mobile, without Sprint nipping at its heels, will surely notice that there’s now nothing to stop it from adding new fees — for where, exactly, are consumers supposed to turn? Perhaps Mr. Legere, who would run the merged company, considers himself a man invulnerable to mere financial pressure, but that is quite a bet on a man who is, after all, only an employee.

The last and most absurd of the arguments for approving the merger is that it will help America “[win the race to 5G](https://www.ctia.org/news/race-to-5g-report)” (that is, to be the first to build an advanced, fifth generation network) against a shadowy Chinese and Korean menace. (The Japanese and Germans, the actual owners of Sprint and T-Mobile, are spared villainous status this time around.) The whole idea of a “race” is a way to lobby Congress and regulators by stoking Strangelovian fears of a “5G gap.”

Granted, spending on infrastructure is important; but killing competitors is an irresponsible way to try and promote it. As history shows and as the antitrust laws dictate, the United States does better by betting on the competitive process. Correction to article: Originally it mentioned the air carrier American Airlines merged with was as US Airways it was actually US Airlines. (Article end)

Also consider the job losses this merger will create; redundancies or overlapping jobs no longer needed will be eliminated. These companies hope under President Trump the FCC and DOJ will rubberstamp their merger allowing consolidation in the wireless market is bad though for consumers. We demand more choice and better service. Competition is good, and it doesn’t matter which political party controls the White House or who is in power our government should protect us from monopolies and put the public’s interest first not big business. The Obama Administration was wise to reject AT&T’s takeover of T-Mobile and later an attempt by Sprint to merge with T-Mobile. Please reject this merger from hell!