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A group of state attorneys general filed a lawsuit on Tuesday to block the proposed merger of T-Mobile US Inc. and Sprint Corp., a highly unusual challenge that comes as federal antitrust officials are still reviewing **the more than $26 billion deal**. The suit alleges that the union of the third- and fourth-largest wireless carriers in the U.S. would drive up prices for cellphone services. It was filed in a federal court in New York and was led by the attorneys general of New York and California.

The proposed merger would result in lost jobs, price increases and less improvement in services, New York Attorney General Letitia James said at a news conference. "The deal is bad for consumers, it's bad for innovation, it's bad for workers," she said. Shares of Sprint fell 6%, while T-Mobile slipped 1.6% Tuesday. Officials for the two companies didn't respond to requests for comment.

The agreement T-Mobile struck with Sprint in April 2018 was the culmination of years of on-again, off-again talks between the rivals, which are seeking economies of scale in a mature U.S. wireless market dominated by Verizon Communications Inc. and AT&T Inc. The smaller companies have tried more than once to strike a deal, only to founder on terms or fears that the Justice Department would object to their merging.

Tuesday's pre-emptive attack by the states comes as their federal counterparts at the U.S. Department of Justice, which must also pass judgment on the transaction, continue to review the wireless merger. "There's no rule or regulation that says we have to wait for DOJ," Ms. James said. The states didn't give the Justice Department advance notice before filing their lawsuit, according to people familiar with the matter.

News of the state-led complaint broke as high-level company representatives continued discussions on the merger with Justice Department lawyers on Tuesday, according to people familiar with the talks. Although the Justice Department and Federal Trade Commission are the principal merger authorities, state attorneys general have the authority to challenge acquisitions under antitrust laws. But they

Philadelphia Daily News
'It is quite a story,' says Daylin Leach. He's right.

usually do so only in partnership with federal counterparts. When a state has gone it alone, it has typically been to challenge a deal with deep local connections, such as a hospital-industry merger.

Wayne State University law professor Stephen Calkins said he couldn't recall state attorneys general ever challenging a merger of this size and prominence on their own, adding it was even more unusual for the states to act while the Justice Department review was pending. "It's really quite remarkable," Mr. Calkins said. Attorneys general from Colorado, the District of Columbia, Maryland, Michigan, Mississippi, Connecticut, Virginia and Wisconsin joined the lawsuit filed Tuesday. The state and District of Columbia officials are all Democrats.

If the wireless firms win formal approval from federal regulators, including the Federal Communications Commission, they could proceed to close their merger without waiting on the states' litigation—unless a federal judge blocks them from doing so. Xavier Becerra, California's attorney general, said the states would seek a preliminary injunction to keep the companies separate. The litigation could create months of legal uncertainty for the deal's prospects.

The companies got a leg up last month when FCC Chairman Ajit Pai, a Republican, **unilaterally threw his support** behind the deal in exchange for their commitment to invest in 5G infrastructure covering rural areas. The companies also promised to shed Sprint's Boost Mobile prepaid cellphone service. The Justice Department has yet to publicly comment on those concessions, though The Wall Street Journal previously reported that department officials believed the FCC package **wasn't enough to protect competition** in the wireless industry. A Justice Department spokesman declined to comment.

Mr. Becerra said Mr. Pai's actions at the FCC were one of the triggers for the states' decision to move forward. State officials had substantive conversations with their Justice Department counterparts, though "they don't tell us what to do" and "we don't tell them what to do," Mr. Becerra said. The Obama-era Justice Department made clear that further wireless consolidation was a non-starter. But T-Mobile and Sprint executives last year decided to make their case to the Trump administration, saying that without a merger they risked falling behind Verizon and AT&T as the industry upgrades to 5G networks. Combining the smaller companies would arm them with a swath of wireless-spectrum licenses considered ideal for 5G, they said.

Sprint is controlled by Japan's SoftBank Group Corp., whose chairman, Masayoshi Son, has long sought to combine the U.S. wireless company with T-Mobile, whose largest shareholder is Deutsche Telekom. Sprint has been struggling to hold on to customers, while T-Mobile has been gaining market share. The recent flurry of regulatory developments has worked to box in Justice Department antitrust chief Makan Delrahim on both his left and his right. While the states' lawsuit could put heat on Mr. Delrahim's antitrust division to file its own challenge, the department's review has been complicated by the pronouncement by the FCC's Republican majority that the merger is in the public's interest.

The Justice Department has never litigated a challenge against a merger that the FCC has found to be good for consumers, so any such court case could place the department in uncharted waters. Wireless operators have tried different combinations to shrink the number of national U.S. players down to three, but so far they have all been foiled. In 2011, the Justice Department and FCC opposed AT&T's plan to buy T-Mobile, warning the merger would "significantly diminish competition." – ***Wall Street Journal***

Google has fired about a half-dozen of its largest lobbying firms as part of a major overhaul of its global government affairs and policy operations amid the prospect of greater government scrutiny of its businesses.

In the past few months, the company has shaken up its roster of lobbying firms, restructured its Washington policy team and lost two senior officials who helped build its influence operation into one of the largest in the nation's capital, according to people familiar with Google's Washington strategy. The firms Google has dumped make up about half of the company's more than $20 million annual lobbying bill.

People familiar with the matter say the revamp is part of a continuing modernization of the influence operation Google built over the last 15 years, but it comes as Google faces a number of government investigations into its affairs. The Wall Street Journal reported recently that the Justice Department is **gearing up to conduct an antitrust investigation** into the tech giant. Congress and states attorneys general are also reviewing Google's practices, while on the campaign trail, some Democratic presidential candidates are calling for the company to be broken up.

Amid **the increased scrutiny**, Google, a unit of Alphabet Inc., is shuffling its ranks of lobbyists and other Washington consultants, according to people familiar with the matter. Among the lobbyists no longer working for the company are Charlie Black, a longtime Republican strategist, and firms that have relationships with senior Republicans and Democrats on Capitol Hill, including Off Hill Strategies LLC, which has ties to fiscally conservative Republicans.

People familiar with Google's restructuring say the operation that evolved as the one-time startup expanded had become outmoded after years of rapid global growth. The company overhauled its policy team to better reflect the global reach of its commercial ambitions and handle potential entanglements with regulators and lawmakers across regions and markets, these people said. The moves are seen as part of a shake-up by Google's new head of policy and government relations, Karan Bhatia, a former senior trade representative in the administration of President George W. Bush and later a top executive at General Electric Co.

Mr. Bhatia was brought in last summer to serve as Google's vice president of policy and government relations. Over the past year, he has been reassessing Google's influence shop, which has grown to one of the biggest in the corporate world. Late last year, Susan Molinari, a former Republican congresswoman, said she would step down as the head of Google's Washington operations. The company hasn't yet named a replacement.

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Most prominently, Mr. Kovacevich led the company's campaign to head off a high-profile 2012 Federal Trade Commission investigation into whether the company used anticompetitive tactics. He also helped launch a host of advocacy groups to promote public-policy matters that benefited Google. In 2006, the year before Mr. Kovacevich joined Google, the company spent $800,000 on lobbying and had four lobbying firms on retainer. In 2018, Google had 100 lobbyists, employed nearly 30 firms, and spent $21.7 million to lobby Washington, making it the largest spender on lobbying among U.S. corporations, according to public lobbying filings compiled by the nonpartisan Center for Responsive Politics.

The company spent millions more on donations to think tanks, political entities, universities and other third-party groups that churned out papers, generated data and hosted policy conferences that Google used to help shape the debate on issues such as privacy, net neutrality and self-driving cars. Meanwhile, Google employees helped the company become one of the largest sources of campaign donations to the Democratic Party and its candidates, including Hillary Clinton and Barack Obama, according to the Center for Responsive Politics. In the 2018 congressional elections, Google's employee-funded PAC donated $1.9 million to political candidates in both parties, the group's figures show.

Donations from employees made Google a top source of campaign money for both of Mr. Obama's presidential campaigns, and the company's employees ranked as the leading source of money for Mrs. Clinton's 2016 presidential bid. Employees of the company donated a total of $1.6 million to Mrs. Clinton's campaign, the center found.

When Mr. Obama took office, Google and its Washington lobbying team scored a string of victories. Most significantly, Mr. Obama's FTC, which is technically an independent agency, **declined to pursue an antitrust case** against Google in 2013 after a lengthy investigation. Google also won favorable net-neutrality rules from the Federal Communications Commission, headed off federal privacy regulations in Congress and secured a friendly ruling on self-driving vehicles from highway-safety regulators, among other matters.

But in the past few years, Google has run into headwinds from both Republicans and Democrats, while its public image took a beating over privacy concerns and what critics say is its failure to police content on its platform, particularly as it related to the 2016 election. The new structure has regional leaders covering the U.S. and Canada, Asia and the Pacific, Europe, and countries the company views as its emerging markets. The new arrangement also includes policy teams that will continue to lobby governments on critical areas for the company, including privacy and handling controversial content on its platforms. – ***Wall Street Journal***

Don't expect Pennsylvania to this year address its infrastructure woes.

There's little debate in the state Capitol that Pennsylvania is in dire need of billions in investment. Its roads and bridges are decaying faster than they can be repaired. Post-industrial blight depresses housing values and deters redevelopment in urban centers such as York. And broadband access remains an issue for the state's rural hinterlands.

Gov. Tom Wolf has spent months banging around the state pitching his long-stalled Restore PA plan, a $4.5 billion proposal funded by a new severance tax on natural gas drillers. Unsurprisingly, the GOP-run Legislature was unmoved by the Democratic governor's beefed-up PR campaign, which recently included stops in York and Hellam Township. In fact, legislative leadership has outright panned Wolf's proposal, in what's become an annual right of passage in Harrisburg.

Both chambers respond by rolling out their own plans to fund infrastructure projects. The House bill would boost tax incentives for private investors. The Senate plan would open up state forests for natural gas drilling. But there remains several big-ticket issues still in flux as the budget deadline looms. For example, legislative Republicans have shown a willingness to consider boosting the state's minimum wage. But they're looking for something significantly less generous than Wolf's call to immediately boost the state minimum to $12 come June 30.

Education spending is a regular point of contention, one that can scuttle otherwise productive budget talks. The surplus alleviates some of the pressures of years past and there is a general agreement that schools need a little more. But, even so, Republicans' are raring for a fight over their pet projects, such as showering private schools in more cash. All the while, the state's teachers' union is clamoring for legislation that would more than double the minimum salary a teacher could earn.

The budget deadline is only weeks away. Neither Republicans nor their paymasters in the natural gas industry have any appetite for a new severance tax. And the two proposals offered up by legislative Republicans are non-starters. Meanwhile, other issues are taking priority because they're either politically convenient or more easily negotiated.

Pennsylvania's roads and bridges are in need of investment. Blight continues to plague rust belt cities. Flooding or broadband connectivity are consistent threats to local economies. Identifying the problem is one thing. Crafting a solution, however, is probably more than Harrisburg can handle. – ***York Dispatch* editorial**

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