



FIGHT CORPORATE MONOPOLIES

**CORPORATE POWER
MAP**



PENNSYLVANIA



As markets become increasingly consolidated, people lose choices about where they work and spend their money. Decades of lacking antitrust enforcement has left a few big corporate actors in charge of sector after sector of the economy -- giving these corporations massive political, economic, and societal power.

This document maps out the large corporations and consolidated industries in Pennsylvania. It's a broad overview of the corporate actors that have amassed serious power, instances where taxpayer money has directly subsidized these giants, and some of the harms that these corporations have caused. Aside from being an educational resource, we hope these maps serve as a source for those fighting corporate power, whatever your role may be.

If you think we've missed something, please let us know at info@fightcorporatemonopolies.org

HOW TO USE THIS MAP AS A POLICY MAKER

Commit to work on behalf of your constituents and not corporations. The public overwhelmingly supports reining in large corporations. For an overview of popular anti-corporate and anti-corruption policy, please visit: www.fightcorporatepower.org. Many of the outlined policies would check corporate power at the state level.

Use local examples as talking points. Several of the corporations that are mapped out in this brief have harmed your constituents. Using local examples helps make anti-corporate policy real and tangible.

HOW TO USE THIS MAP AS AN ADVOCATE

See which elected officials the corporations in this report fund. To better understand how the corporations in this report may influence politics in your state, see which elected officials the corporations donate to. You can view campaign contributions to federal elected officials through the [FEC website](#) or [Open Secrets](#). For contributions to

statewide and local officials, check your elections commission or secretary of state’s website.

Ask your electeds to rein in mentioned corporations. Call, write to, or meet with your elected officials to discuss how they’re protecting workers, consumers, and small businesses. Oftentimes the corporations mentioned in the brief will spend money lobbying elected officials on behalf of legislation that benefits them. If this is happening where you live, demand that your electeds oppose the legislation.

Fight local subsidies to mentioned corporations. Oftentimes, local or state governments sign off on huge subsidies to massive corporations. You can read more about how to spot these deals and how to fight them in [this guide](#).

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Big Tech

Amazon

Amazon claims [25,000 jobs created in Pennsylvania](#) across 27 delivery-logistics locations and 15 Whole Foods stores. Amazon is notorious for [tracking employees' every movement](#) and penalizing them for "time off-task," which deprives workers of dignified bathroom breaks and other rest time. Amazon warehouse logs show an [injury rate nearly double the industry average](#) and triple the average for private companies overall. Workers must also sign non-compete clauses that trap them in an abusive relationship with Amazon. In the past few years Amazon has been guilty of [union busting](#) and firing whistleblowers who pointed out [consumer data misuse](#).

- A key case testing Amazon's potential liability for defective products from third-party vendors originated in Pennsylvania. Milton, PA resident Heather Oberdorf sued Amazon after being blinded by a defective dog collar purchased through the platform. Before the state's high court could hear the case, Amazon [settled with Oberdorf on undisclosed terms](#) in the fall of 2020. The settlement leaves the broader liability issue to be resolved in [similar cases elsewhere](#).
- [Amazon](#) has received at least \$23.5 million in state and local subsidies in Pennsylvania.

A [study](#) by the Economic Policy Institute found that when an Amazon warehouse is built, the "county [hosting the facility] gains roughly 30 percent more warehousing and storage jobs but no new net jobs overall, as the jobs created in warehousing and storage are likely offset by job losses in other industries."

Google & Facebook

Pennsylvania [lost 71 percent of its local journalism jobs](#) from 2005 to 2020 as Google and Facebook's dominance in online advertising undermined traditional news organizations worldwide. The state [lost 29 percent of its newspapers](#) from 2004 to 2019, with 115 weeklies and 5 dailies closing for good. Two other small newspapers there closed down during the coronavirus pandemic. The *Centre Daily Times* in State

College is now owned by private equity after [McClatchy sold to Chatham Asset Management](#) last year. The recent GateHouse-Gannett merger will affect [at least 10 newspapers in Pennsylvania](#), including four owned by Gannett and at least six controlled by GateHouse.

[Google](#) has received at least \$6.3 million in state and local subsidies in Pennsylvania. Pennsylvania Attorney General Josh Shapiro has joined the antitrust lawsuits against Facebook and Google.

Apple

Apple opened a corporate office in Pittsburgh in the early 2000s and maintains a distribution warehouse in Carlisle. It claims to employ 1,275 people in the state between those major facilities and various smaller retail stores.

- **II-VI Inc.** (Two-Six) is a major supplier of iPhone components headquartered in Saxonburg. Five of its 75 global facilities are based in Pennsylvania. It has received at least [\\$800 million in investment funds](#) from Apple. II-VI has received at least [\\$2.6 million](#) in state and local subsidies in Pennsylvania.
- **ON Semiconductor** is a major supplier for Apple with a factory in Mountain Top, PA. It has received at least [\\$2.2 million](#) in state and local subsidies in Pennsylvania.
- ON Semiconductor also has an R&D facility in Lower Gwynedd, acquired through its 2008 buyout of a competitor, AMI Semiconductor. It paid \$915 million to absorb AMI then [laid off 200 of its workers](#). It is unclear if any of them were in Pennsylvania. ON executives planned \$50 million in “synergies” at the time of the deal.

[Apple](#) has received at least \$107,000 in state and local subsidies in Pennsylvania.

Broadband

Comcast is the single largest internet service provider in Pennsylvania.

Comcast was [recently fined](#) in the state of Washington for violating the state's Consumer Protection Act, and is [under investigation](#) in Minnesota for allegedly violating the Minnesota Consumer Fraud Act and Uniform Deceptive Trade Practices Act. They have over 25,000 complaints through the Better Business Bureau in the past 3 years.

While the industry argues nearly everyone has high-speed internet access, that claim is based on defining high-speed as 25Mbps -- far shy of the 100Mbps speeds actually required to reliably engage with the modern internet. There is only one 100Mbps provider available for 31 percent of urban residents and 60 percent of rural residents. Another 60 percent of urban residents and 25 percent of rural ones have just two 100Mbps providers.

According to a [new revised federal dataset on broadband access](#), roughly 2 million Pennsylvanians -- roughly 15 percent of the state -- have no internet access at home. Another 284,000 residents live in counties with a median downspeed at or below 25 Mbps (the industry's definition of "high-speed"), and another 1.4 million live in counties with median downspeeds of 25-50Mbps. Only 21 counties have median downspeeds above 50 Mbps.

[Research](#) by the Federal Reserve Bank of Richmond shows that slow broadband speeds in rural areas often slow job growth, reduce home values, and raise unemployment.

Hospitals and Health Care

There are [seven total insurers](#) on Pennsylvania's Affordable Care Act exchange, but [63 percent of residents had two or fewer choices](#) that cover their county. The [average price of the lowest-cost plans](#) is \$306 in 2021, lower than in all but two of seven neighboring states and the country as a whole. The highest-tier "Gold" plans average \$427 per month in Pennsylvania, lower than all but one neighboring state and the country as a whole. Overall health care prices in Pennsylvania rose by 14.9 percent from 2014 to 2018, [matching the national average](#) of 15 percent..

- Pennsylvanians pay [14 percent less](#) than the national average in out-of-pocket medical expenses overall.
 - Including those not insured through work, this improvement over national averages disappears: Overall OOP costs are 2 percent above average.
- Pennsylvania [provides only partial protections against “surprise billing.”](#) Hospital care outside of the ER is not protected and there is no outright prohibition on the practice. Surprise billing is [more common](#) in concentrated markets.
- One in 10 Pennsylvanians have recently [forgone medical care due to costs](#). One in six rate as “highly burdened” on overall medical costs.

Seven firms control 50 percent of all [hospital beds in Pennsylvania](#). Nearly 80 percent of beds are owned by the 15 largest firms, including a handful of out-of-state for-profit hospital chains like **Trinity**, **Tower**, and **Community Health Services**. Concentration in hospitals is tied to [higher prices for patients](#) and [worse quality of care](#) after hospital acquisitions.

Nine hospitals in the state are owned by a trio of private equity firms -- **Apollo**, **Cerberus**, and **Leonard Green**.

- Private equity giants are notorious for taking extreme steps to maximize profits. Studies have shown that private equity owned hospitals and nursing homes have [worse patient outcomes](#), [worse compliance with care standards](#), and were among the first to slash healthcare practitioner pay and benefits when COVID-19 hit.

A 10th private equity-owned inpatient center, **Hahnemann University Hospital**, was shuttered in 2019. Hahnemann had earned a national reputation for quality and was a crucial care provider for a large and impoverished swathe of north Philadelphia. It had been owned for two decades -- and reportedly neglected -- by for-profit hospital chain Tenet Health before being sold to private equity backers including Apollo. The ugly 18-month death spiral that followed was recently detailed by [The New Yorker](#). [Nearly 2,600 workers lost their jobs](#) and one of the state’s poorest areas lost its primary health care provider. The investors behind the collapse retain control of the physical buildings and [hope to sell them to real estate developers](#).

The **University of Pittsburgh (UPMC)** is by far the largest hospital system in the state, with 18 percent of all beds -- equal to the combined market share of its next three closest competitors (**Penn Medicine, Lehigh Valley Health Network, and Highmark**). UPMC has built its dominant position through a series of mergers and acquisitions, beginning with the 1986 consolidation of University Health Center member hospitals. It went on to absorb Children's Hospital of Pittsburgh (2001), Mercy Hospital (2008), and a series of smaller regional hospitals -- often the sole major inpatient care providers in far-flung pockets of the state -- during the 2010s. The UPMC-Mercy merger went through after UPMC made business-practice and charitable contribution commitments [to persuade then-Attorney General Tom Corbett to drop an antitrust investigation](#). UPMC also laid off 500 workers in 2019 [after buying and closing PinnacleHealth's hospital in Lancaster](#).

UPMC's hospitals are non-profit, but the conglomerate also runs a for-profit insurer, **UPMC Health Plan**, which has significant statewide market power but is not the dominant payment-setting corporation in its home market.

Instead, **Highmark Health** is the largest insurance provider in Pittsburgh. Courts had to intervene in one recent dispute between UPMC and Highmark, imposing a five-year consent decree in 2014 to ensure Highmark customers could receive care at UPMC facilities. When the decree lapsed in 2019, Highmark almost immediately cut off UPMC hospitals. The two firms feuded over balance-billing and rate issues, leaving a large portion of western PA residents effectively blocked from receiving needed health care. Attorney General Josh Shapiro forced a deal by "[leverag\[ing\] charitable trust law](#)."

Highmark recently completed a merger-like "affiliation" agreement with New York-based HealthNow. The firms [assuaged antitrust concerns from New York regulators](#) by promising not to lay anyone off for three years and to make a few million dollars in charitable payments.

Localized hospital market concentration around Pennsylvania's population centers is generally far more intense than the statewide statistics suggest. The Harrisburg, Lancaster and York metro areas are each rated as "highly concentrated" by the Health

Cost Institute, and rank 20th, 29th and 81st out of 124 markets analyzed. Allentown and Pittsburgh are rated “moderately concentrated” at 82nd and 93rd on the HCl list respectively. Only Philadelphia (110th) rates as “unconcentrated” -- though a major merger pending would give one hospital firm a 60 percent share of inpatient beds in one part of the metro area (see below).

- A merger proposed in 2018 combined Philadelphia hospital giant **Jefferson** with the **Albert Einstein Hospital Network**. The FTC and the state Attorney General [sued to block the deal](#) but [lost](#). The [merged firm controls 60 percent](#) of acute inpatient care in North Philadelphia and 45 percent of the Montgomery County market.

[Three rural hospitals have closed](#) in Pennsylvania since 2013, reducing access to care for Lackawanna, Schuylkill and Susquehanna counties.

Pharmaceuticals, Retail Pharmacies & Pharmacy Benefit Management Corporations

Nearly 700 Pennsylvanians were [laid off when Pfizer bought Wyeth in 2010](#). The former Wyeth facilities remained open after the merger but had 15 percent of their combined workforce eliminated. Wyeth CEO Bernard Pousot received [at least \\$24 million](#) in golden-parachute bonuses as part of the deal.

PBMS

Pennsylvania’s total annual billings to Pharmacy Benefit Management corporations (PBM) doubled from \$1.4 billion in 2013 to \$2.8 billion in 2017, state auditor Eugene DePasquale found in a [2020 report](#). The report also found that 48 independent pharmacies had closed in 2019, blaming PBM pricing disparities for the phenomenon.

Pennsylvania recently enacted several reforms governing Pharmacy Benefit Management corporations (PBMs) in the state. The law signed in December 2020 creates new contract-review authority for state agencies, bars PBMs from mandating

which retail pharmacies Medicaid patients may use, prohibits spread-pricing, and ensures pharmacists may disclose pricing information to patients.

Retail Pharmacies

Corporate pharmacies control 75 percent of Pennsylvania's retail prescriptions market by sales volume [[2018 NACDS data](#)].

- Two-thirds of all retail pharmacies in Pennsylvania are in chain drug stores, supermarkets, or big-box retailers.
- **Walgreens, CVS, and Rite Aid** alone own 43 percent of all retail pharmacies in the state. The three firms have aggressively acquired numerous traditional pharmacy chains, including both midsize regional operations and the large pharmacy branches of several major grocers and retailers that had themselves built their drug businesses through mergers and buyouts.
- More than 80 percent of the state's community retail pharmacists work for corporate chains.

Pennsylvanians face a corporate monopoly on pharmacy retail that endangers their health. Pharmacists at these corporate chains report being placed under tremendous time pressure that [leads them to make errors in serving patients](#). One CVS pharmacist in Pennsylvania wrote to state regulators warning that "[t]he amount of busywork we must do while verifying prescriptions is absolutely dangerous" and will lead to mistakes that endanger patients. [[NYT](#)]

These corporate pharmacy retailers built their monopoly [through years of unchecked mergers & acquisitions](#). CVS made at least four major retail-pharmacy acquisitions from 2004 to 2018, including numerous Target pharmacies.

Energy Production & Fracking

Pennsylvania's fracking boom has not yet generated a concentrated market. The HHI of the state's natural gas industry [has dropped](#) from just shy of 1,100 in 2010 to below 1,000 in 2018.

But as the fracking industry matures, there is some reason to expect dominant global players to assert greater control. **Royal Dutch Shell (RDS)** is building a major processing facility there known as a “cracker.” These relatively new operations [convert fracking byproducts into raw plastic](#) -- an end use fracking corporations hope can rescue the industry from sagging prices. Other firms are building crackers in Appalachia but RDS’s will be the only in Pennsylvania, where dozens of fracking companies are desperate to find new customers.

Former Gov. Tom Corbett pushed a \$1.7 billion tax subsidy deal through the legislature in 2012. The deal was designed to lure RDS to open an ethane processing facility (“cracker”) to convert fracking byproducts into plastic, an emerging line of business that producers hope will keep fracking profitable as fuel prices slump. Corbett’s deal amounted to a 20 percent break on RDS’ overall tax bill on its fracking operations in Pennsylvania. Nearly a decade later, the facility is [still under construction](#). President Trump made the Pennsylvania facility a symbol of his energy policy [in 2019](#), and it may prove significant in any future disputes over fracking under the Biden administration. State lawmakers [made the RDS subsidies permanent in 2020](#), with Gov. Tom Wolf [signing an amended version of the law](#) after vetoing the initial bill.

Food Industry & Industrial Agriculture

Philadelphia-based **Aramark** is the largest contract-management food vendor in the U.S. and one of the top three globally. It holds a dominant position in food service in U.S. prisons, hospitals, sports arenas, and colleges. Its prison operations nationwide have repeatedly made headlines for serving spoiled food and generating violent unrest among inmates. Roughly 8 percent of its U.S. workforce is in Pennsylvania. It has a market cap of around \$9 billion and annual revenues between \$14 and \$17 billion. In 2021, Aramark [announced a deal](#) to acquire Next Level Hospitality, a firm that provides services for nursing homes.

Kraft-Heinz became the fifth-largest processed foods company in the world after a 2015 megamerger engineered by private equity firm 3G. 3G had already laid off hundreds of Heinz workers in Pittsburgh upon acquiring the firm a year earlier. Following the acquisition of Kraft, 3G also shuttered a 40-year-old factory in the

Lehigh Valley, [costing another 415 workers their jobs](#). Nationwide, the merger has cost [5,000 workers](#) -- roughly 10 percent of the total pre-merger staff of the two firms -- their jobs. Kraft CEO John Cahill, meanwhile, [received a \\$20 million golden-parachute bonus](#) from the deal.

Bayer laid off [roughly 500 Pennsylvania workers](#) after acquiring **Monsanto** in 2019. Monsanto CEO Hugh Grant was paid [roughly \\$33 million](#) in golden-parachute bonuses from the deal.

Tyson Foods, the largest of the meat industry monopolists nationwide, has two meatpacking facilities in New Holland, PA. It also purchased West Chester-based Keystone Foods from fellow monopolist **Marfrig** in 2018, with the latter firm using revenue from that sale [to finance its rollup of National Beef](#). Tyson recently [paid over \\$200 million to settle](#) a trio of lawsuits claiming it used its dominant market share to fix prices in the poultry market. Other price-fixing lawsuits remain open. Tyson is also attempting to move a slew of wrongful-death lawsuits over workplace safety violations from state courts to federal ones, [prompting several state Attorneys General including Pennsylvania's](#) to file briefs arguing the suits should not be shifted.

Cargill, the second-largest of the Big Four meatpackers, has a processing plant in Hazleton, PA. **JBS**, the third-largest of the Big Four meatpackers, has a slaughterhouse in Souderton, PA. Chinese-owned **Smithfield**, the fourth of the Big Four, has three facilities in the state including a processing plant in Arnold. **National Beef**, a Big Four beefpacker recently absorbed by Marfrig, maintains a packing plant in Hummels Wharf, PA.

Retail

Pennsylvania once had 120 **K-Mart** locations and 60 **Sears** stores. After a private equity bust-out of the two retailers engineered by hedge fund owner Eddie Lampert drove the chains into bankruptcy, all but 53 of those 180 stores closed. Lampert and his investors made hundreds of millions off of the deal.

Dollar General, Family Dollar, and Dollar Tree have a substantial presence in Pennsylvania -- likely thousands of storefronts, though the exact number is difficult to pin down because the latter two companies do not break store counts out by state in their annual reports. Dollar General alone has 823 stores and two distribution centers in Pennsylvania. The companies have expanded their statewide presence dramatically in the past decade and now have 50 percent more storefronts than they did a decade ago.

Their expansion overlaps with a hollowing-out of local grocery stores in rural America. The typical dollar-store customer earns less than \$40,000 per year; Dollar General and Dollar Tree have a combined market cap of nearly \$50 billion. The business model of this industry sector causes both economic and social harm to the areas it targets.

- Dollar stores' charge far higher per-unit prices for staple goods than even high-end traditional retailers. Milk at a dollar store [can cost more per gallon](#) than at high-end luxury chains like Whole Foods.
- Dollar stores destroy locally-owned retailers then extract local wealth to faraway investors and executives. Because Dollar General is owned by the private equity firm KKR and has a lower-income customer base than even Walmart, its business model strips income out of Pennsylvania and into high-net-worth investors' pockets. Similarly, most profits from Pennsylvania's dollar stores are siphoned out of state to the large investors that are the primary shareholders of these corporations. Surrounding communities generally lose locally-owned businesses and the associated revenue and economic stability independent retailers provide. The average dollar-store retailer employs roughly half as many people as the average locally-owned grocery.
- Dollar-store corporations have also been criticized as [magnets for violent crime](#) in urban-area storefronts.

Finance & Private Equity

Valley Forge-based **Vanguard** is a dominant player in investment management. [At the end of Q3 2019](#), its \$5B in managed assets was more than the next three largest firms (Fidelity, American Funds and BlackRock) combined, and it held roughly one third of

the total funds managed by the 10 largest firms. It employs more than 15,000 people in Pennsylvania.

Pittsburgh-based **PNC** is the [8th-largest consumer bank](#) in the U.S. by total deposits (\$313 billion). It holds more than 40 percent of all deposits in the Pittsburgh market. Roughly a quarter of its 54,000 employees are Pennsylvania-based. The 1983 merger that formed PNC was the largest in U.S. history at the time. It has made several significant acquisitions since, including the absorption of five significant banking firms from 2003-2008 and three more in 2011.

Private equity firms have extracted at least \$6 billion in management fees from Pennsylvania's pension funds in the past 13 years, according to an investigation by State Treasurer Joe Torsello. The firms had only disclosed \$2.2 billion in such fees in documents submitted to pension officials. Specific managers involved in the system include **Apollo**, **Platinum Equity**, and **Bain**, [among many others](#).

Other private equity firms have significant interests in market-dominant Pennsylvania corporations, and have in some cases triggered major layoffs in the state:

- Conshohocken-based **Allied Universal** is the country's largest provider of private security services, after the sector's three largest firms merged in 2015 and 2016. Allied is controlled by major PE players including **Wendel** and **Warburg Pincus**. The security titan's Conshohocken co-headquarters employs [2,000](#) people.
- Nine hospitals in the state are PE-owned. **Apollo** and **Cerberus**'s hospitals are the only local care options in two communities (rural Johnstown outside Pittsburgh and the small city of Sharon on the Ohio border, respectively), while **Leonard Green**'s are concentrated in the Philadelphia exurbs.
- **Apollo** was behind a private-equity buyout of Philadelphia's key Hahnemann Hospital, shuttering it within 18 months and putting the historic facilities up for purchase by real estate developers (*see above*).
- **3G** engineered Heinz's acquisition of Kraft, triggering both significant layoffs in Pennsylvania and a large payout for executives and investors (*see above*).

Real Estate

Housing prices have increased in Pennsylvania [by 43 percent](#) since 2020, despite a [recent boom](#) in home construction. Part of this price increase can be attributed to the role of private investors in the housing market, who in 2021 [bought 18 percent of Pennsylvania homes sold](#). **KKR** [owns over 3 million square feet](#) of real estate in the state, though much of it is industrial and office space.

Private equity firms have been [buying up mobile home parks](#) across the state and rapidly increasing rents and utilities fees.

Other Monopolists With Ties in Pennsylvania

Philadelphia-based **Comcast** is the dominant U.S. provider of broadband internet ([42 percent of subscribers](#)) and traditional-cable television ([23 percent of subscribers](#)). It had at least 5,000 employees in Pennsylvania as of 2015, when its current headquarters was under construction. It has expanded into entertainment production in recent years, acquiring both DreamWorks (2017) and NBC-Universal (2011).

UPS lists Philadelphia as its second-largest air hub; it is also [opening three new sorting and logistics hubs across the state in 2020](#), including a “super-hub” in Harrisburg. Philadelphia is one of the five biggest **American Airlines** hubs. **FedEx** maintains three distribution hubs in the state.

Lyons-based **East Penn Manufacturing** is the world’s largest single-site producer of lead-acid batteries. It is the largest employer in Berks County, with [over 8,000 workers](#) at its Richmond Township factory. It also maintains logistics facilities in Lehigh County.

The University of Pennsylvania is being [sued by former students](#) who claim that the university (among others) broke antitrust law by colluding with other universities to reduce financial aid offers.