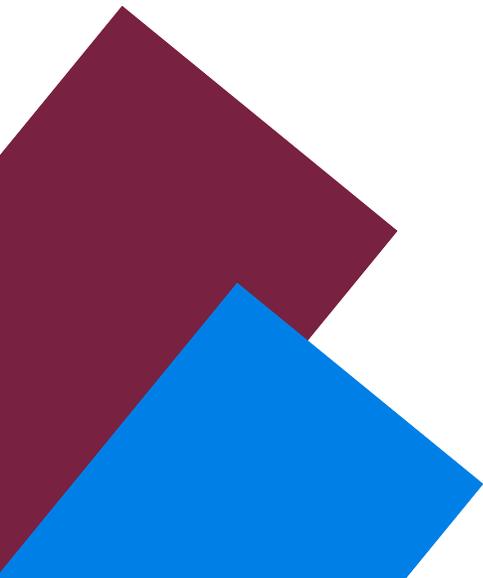


**FIGHT CORPORATE MONOPOLIES**

**CORPORATE POWER  
MAP**



**TENNESSEE**



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 Tennessee. 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](mailto: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](http://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

### Asurion

**Asurion**, the primary provider of third-party insurance for cell phones among carriers who outsource their repair and replacement systems, is a significant employer in Nashville and the product of a series of mergers between roadside assistance, cell phone, and tech firms. Asurion is currently in the process of [laying off hundreds of employees](#).

### Amazon

**Amazon** claims [25,000 workers in Tennessee](#) across 11 delivery-logistics locations, six Whole Foods stores, and a corporate office in Nashville. The company named Nashville a finalist for its HQ2 project before instead awarding it a smaller downtown corporate campus that was intended to create 5,000 jobs. 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](#).

Amazon has received at least \$14 million in state and local subsidies from Tennessee since 2012.

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

Tennessee [lost nearly 60 percent of its local journalism jobs](#) from 2005 to 2020. These job cuts typically follow acquisitions of local outlets by private-equity firms that have been able to buy low on local media after the dominance of large tech platforms undermined their subscriber base and advertising revenue. The recent private

equity-backed **Gannett-GateHouse** merger, for example, will affect 10 papers in the state including its largest, the **Tennessean**.

**Google** has a data center in Montgomery County. The location fell into Google's hands after Michigan-based **Hemlock Semiconductor**, the nation's largest producer of a key ingredient in solar panels, built a factory but walked away from the project without ever opening production there.

**Facebook** has a \$800 million data center in Gallatin and Tennessee Attorney General Herbert Slatery [joined 47 other state AGs](#) in an antitrust lawsuit against Facebook in December 2020.

### *Apple*

**Apple** claims to have 689 direct employees and 82 supplier firms in Tennessee, though no information is readily available on specific supplier firms in the state.

## **Hospitals & Health Care**

There are six insurers on Tennessee's Affordable Care Act exchange, but [only one is available](#) in the north-central Appalachian counties of the state. The [average monthly price of the lowest-cost plans](#) is \$340 in 2021, higher than in three of 10 neighboring states and the country as a whole. The highest-tier "Gold" plans average \$564 per month in Tennessee, higher than in eight of 10 neighboring states and the country as a whole. Overall health care prices in Tennessee rose by 12.4 percent from 2014 to 2018, [less than the national average](#) of 15 percent.

- Tennesseans' out-of-pocket medical expenses are in line with national averages. Those insured through their employer pay 9 percent less than average and the overall insured population has the same \$2,000 annual OOP expenses as the average American.
- Tennessee provides no protection against "surprise billing" It is one of [25 states](#) with no laws protecting patients. Surprise billing is [more common](#) in concentrated markets.

- The state's lack of surprise-billing protections has drawn particular attention because the fifth-largest hospital firm in the state has become a media poster child for the practice. **Methodist Le Bonheur**, which owns 7 percent of all hospital beds statewide and dominates the Memphis market, has been aggressive in pursuing unpaid bills in court. It filed more than 8,300 separate lawsuits against patients between 2014 and 2018, [according to ProPublica](#). After the practice made headlines, Methodist Le Bonheur forgave debts owed by 6,500 patients.
- One in seven Tennesseans have recently [forgone medical care due to costs](#).
- One in five rates as "highly burdened" on overall medical costs.

Hospitals are Tennessee's primary employers. Seven of its 10 largest individual sources of jobs are hospitals or hospital chains, accounting for 108,000 jobs between them.

But for patients, Tennessee's hospital market is highly concentrated and regional monopolies are common. Six firms control half of all [hospital beds in the state](#). Just 7 percent of beds are run by independent or civically-owned hospitals. Private equity giant **Apollo** owns just under 5 percent of the state's hospital beds, through its **LifePoint** subsidiary. **HCA**, the state's largest hospital operator by beds, controls 13 percent of statewide inpatient capacity. It is the state's largest employer, one of the nation's largest hospital management chains, and one of two Fortune 100 companies headquartered in Tennessee. Notoriously litigious balance-billing outfit Methodist La Bonheur owns over 7 percent of all beds statewide. **Ballad**, **Covenant**, and **Ascension** each hold between 7 and 10 percent of the state's total hospital beds. Concentration in hospitals is tied to [higher prices for patients](#) and [worse quality of care](#) after hospital acquisitions.

When the Health Care Cost Institute [analyzed 112 metro-area hospital markets](#) in 2016, it found highly-concentrated markets in three of Tennessee's four major population centers: Chattanooga (59th-most concentrated), Knoxville (33rd), and Memphis (25th). Nashville's market was rated as only "moderately concentrated" at 91st on the list.

Tennessee's intense market concentration in hospital care owes in part to a recent megamerger in the state completed over the objections of federal regulators. The two dominant hospital chains in the Johnson City area, **Wellmont Health Systems** and **Mountain States Health Alliance**, authored and lobbied for a Certificate of Public Advantage (COPA) law to block the FTC from conducting oversight of any hospital mergers in the state. The two firms merged in 2018 under the COPA, consolidating 21 hospitals that are the [sole acute-care option for 1.2 million rural Appalachians](#) at the intersection of Virginia, Tennessee, Kentucky, and North Carolina. **Ballad Health**, the new brand for the merged firm, immediately closed 10 outpatient surgeries, one NICU, and one trauma center in the network. [The lawmaker behind the COPA law takes paychecks from Ballad.](#)

Private equity firms play an unusually large role in Tennessee's hospital industry. At least 14 hospitals and one in every eight hospital beds there are PE-owned or backed with PE money. 7 percent of all beds in the state are run by the hospital chain **Ascension** -- which has partnered repeatedly with other private equity firms including **Towerbrook** and **Oak Hill Partners** to snap up rival hospital firms around the country. The private equity firm Apollo [purchased hospital chain LifePoint in 2018](#) and now owns roughly 5 percent of the state's hospital beds after folding together LifePoint and **RCCH HealthCare Partners**.

- 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 cut healthcare practitioner pay and benefits when COVID-19 hit.

At least [16 rural hospitals in Tennessee](#) have closed since 2005.

## Utilities

The **Tennessee Valley Authority** has maintained an absolute monopoly on electrical power generation for decades. In 2019, [according to InsideClimateNews](#), it "began pressuring municipal power companies...into signing new contracts that...would prevent

them from ever again negotiating with TVA for cheaper, cleaner electricity.” Once seen as a leader on clean energy, regional advocates [now say it is the primary obstacle](#) to new solar in the southeastern U.S. after it dismantled a program that paid above-market rates for renewables. Its new approach to incentivizing renewables is focused on corporate clients with significant presence in the state and firm clean-energy goals, including Facebook, Google, **GM**, and **Vanderbilt**. [Overall consumer electricity rates](#) in the state are close to the national median.

## **Retail Pharmacies & Pharmaceutical Benefit Management Firms (PBMs)**

Corporate pharmacies control [75 percent](#) of Tennessee’s retail prescriptions market by sales volume.

- 70 percent of all retail pharmacies in Tennessee are in chain drug stores, supermarkets, or big-box retailers.
- **CVS** and **Walgreens** alone run 30 percent of all retail pharmacies in the state.
- Roughly 85 percent of the state’s community retail pharmacists work for corporate chains.

Tennesseans 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](#). Respondents to some surveys in other states describe store policies that lead to drug-dispensing errors that put patients at risk. At least one described a requirement to upsell patients on unnecessary medications and chain drugstore promotional programs.

- 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 **Eckerd’s**, **Albertsons**, and **Target** pharmacies nationwide. Walgreens made several acquisitions, though none with a clear direct impact in Tennessee.

Tennessee Gov. Bill Lee [recently signed significant new restrictions](#) on Pharmacy Benefit Management corporations (PBMs), a sector dominated by three monopolies that are integrated into other insurance and retail-pharmacy monopolies. The new law prohibits PBMs from steering patients to their own pharmacies, using “spread pricing” and discriminatory reimbursement policies against prescriptions under the federal 340B program, and requires reimbursements to at least match the pharmacist’s costs for acquiring drugs. Gov Lee [signed another PBM reform bill into law](#) in May 2022 which regulates PBM fees and contracting.

[State Sen. Shane Reves](#) is an independent pharmacist and a significant driver of PBM reform in the state.

Tennessee’s Medicaid system utilizes a managed-care agreement to administer benefits. [Pharmaceutical benefits are carved out of that agreement’s rules](#). The state spends a gross of \$1 billion on Medicaid pharmaceuticals each year, \$747 million of which is reimbursed.

## **Broadband**

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. A quarter of rural Tennessee can’t get 100Mbps service, half can only get it from one provider, and just 3 percent have three or more choices. and the other half has only one provider to purchase from. Six in 10 urban Tennesseans have two or fewer 100Mbps providers available.

According to a [new revised federal dataset on broadband access](#), roughly 469,000 Tennessee households and 1.2 million individuals -- about 12 percent of the state -- have no internet access at home at all. Roughly 290,000 people live in the 15 Tennessee counties where median speeds are below the industry-standard 25Mbps. Median downspeeds of 100 Mbps or higher (the advocacy community’s definition of “high-speed broadband”) are only present in five counties home to a quarter of the state’s population.

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

## Industrial Agriculture

**Tyson Foods** has four slaughterhouses in Tennessee (Goodlettsville, Newbern, Union City, and Shelbyville). **JBS** has a sausage processing facility in Memphis and a chicken plant (absorbed from Pilgrim's Pride when the Brazilian-owned giant bought its U.S. competitor out of bankruptcy) in Chattanooga. **Cargill** has a slaughterhouse in Nashville. There are numerous other smaller meatpacking facilities around the state, but these three companies are part of the global monopsony group that dominates the industry and allegedly colludes to depress prices to suppliers and wages to workers while keeping retail prices high for consumers.

Tennessee is one of the five largest tobacco-producing states in the country. The global tobacco industry is highly concentrated, with the three largest producers controlling 70 percent of sales. By far the most powerful monopolist in the sector -- **China National**, with 44 percent of sales -- sources most of its raw materials from domestic farmers, and scaled back its limited purchasing of American tobacco as part of the Trump-era trade war.

## Retail

Wisconsin once had 59 **Sears** and **K-Mart** locations. After a private equity bust-out of the two retailers engineered by hedge fund owner Eddie Lampert drove the chains into bankruptcy, all but 15 of those 59 stores closed. Lampert and his investors made hundreds of millions off of the deal.

**Dollar General**, **Family Dollar**, and **Dollar Tree** operate well over 1,000 locations across Tennessee, though an exact figure is hard to come by given disparities in sources. Dollar General is headquartered in Goodlettsville.

The Institute for Local Self-Reliance counted roughly [1.75 stores for every 10,000 Tennessee residents](#) as of 2017, and the brands have expanded dramatically nationwide since then. Dollar General operates 850 stores in Tennessee. Family Dollar and Dollar Tree no longer report state-by-state store counts in their annual filings but list more than 350 Tennessee locations on their websites.

These corporations' expansion overlaps with a hollowing-out of local grocery stores nationwide. 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 Tennessee and into high-net-worth investors' pockets. Most profit from Family Dollar and Dollar Tree stores similarly siphons out of state to the professional investors who are the primary shareholders. 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.

## **Other Monopolists With Ties in Tennessee**

**FedEx** is headquartered in Memphis. Its combination corporate office and hub there is the state's second-largest employer (30,000 workers). It is one of two Tennessee-based corporations on the Fortune 100 list. It has a long history of misclassifying its workers as independent contractors.

**Bridgestone** is the world's largest tire maker and maintains a factory in Tennessee.

**International Paper**, which held a fifth of the U.S. paper market as of 2017, is headquartered in Memphis. It ranks 144 on the most recent Fortune 500 list.

**AutoZone**, which holds the largest market share in the sub-sector for do-it-yourself auto parts sales, is headquartered in Tennessee and ranks 268 on the most recent Fortune 500 list.

**Dow Chemical** maintains two facilities in the state. **Eastman Chemical**, a smaller industrial chemistry firm that is on the Fortune 500, is based in Tennessee and has numerous production facilities there. It was spun off from Kodak in the 1990s.

**Carlstar Group**, which is a leading player in the market for specialty tires for ATVs, is headquartered in Nashville.