



FIGHT CORPORATE MONOPOLIES

**CORPORATE POWER
MAP**



ARIZONA



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 Arizona. 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](#).

Table of Contents

Big Tech	3
Hospitals and Health Insurance	5
Pharmaceuticals, PBMs, & Retail Pharmacies	6
Broadband	8
Industrial Agriculture	8
Retail	9
Utilities	10
Real Estate	11
Defense Contractors & Aerospace	11
Private Prisons	13
For-Profit Education	13
Airlines	13
Finance & Banking	14

Big Tech

Arizona has a large and growing tech manufacturing sector with some of the largest chipset and semiconductor manufacturers in the world maintaining significant operations there.

Intel's single largest manufacturing site in the U.S. is in Chandler, AZ, where it employs 12,000 Arizonans at two campuses. While primarily production facilities, the two locations also host white-collar corporate employees and engineers. Intel controls roughly two-thirds of the market for CPUs worldwide. The company has operated in Arizona since the 1980s and is viewed as a key economic driver. An ASU researcher estimated that Intel accounts for \$8.3 billion of the state's \$260 billion annual economic activity. Arizona taxpayers have given the firm roughly [\\$100 million in subsidies](#) over the years. In August 2022, Intel announced its intention to jointly (with Brookfield) invest \$30 billion in chip production in Arizona. **Qualcomm** has two offices in Chandler and Tempe. **ON Semiconductor** is a dominant chipmaker headquartered in Phoenix. The firm has a significant role in Apple's supply chain. It was spun off by Motorola in 1999.

Arizona lawmakers in 2021 passed legislation through the State House to break **Apple's** stranglehold on App Store payments. The bill died unexpectedly in the state Senate near the close of the session; rumors circulated that Gov. Ducey's former chief of staff, who went to work for Apple, [arranged for it to be pulled](#) before a committee vote.

Tesla's SolarCity power generation subsidiary was involved in significant litigation with the Salt River Project, one of Arizona's largest electric utilities. Tesla sought to invoke Sherman Act case law to argue that the utility's response to SolarCity's production projects in Arizona violated antitrust law. Before the U.S. Supreme Court could resolve procedural issues at the core of the case, Salt River agreed to a settlement that would see the state purchase substantial solar energy from Tesla.

Amazon

Amazon claims [32,000 workers in Arizona](#) across 13 delivery-logistics locations and 10 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](#).

Amazon has received at least \$55 million in state and local subsidies from Arizona since 2008.

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."

Nearly one third of Amazon employees in Arizona are [dependent](#) on SNAP.

Google & Facebook

Arizona [lost nearly 50 percent of its local journalism jobs](#) from 2005 to 2020 as **Google** and **Facebook**'s dominance in online advertising undermined traditional news organizations worldwide. 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 merger of **GateHouse** and **Gannett** is driving [further layoffs at the Arizona Republic](#).

Arizona Attorney General Mark Brnovich sued Google over location-data practices in May 2020. He later that year [joined 37 other state AGs](#) in an antitrust suit over Google's monopoly on search. Google received a [\\$500,000 subsidy](#) from the state in 2006.

Apple

Apple claims to have 1,010 direct employees and 168 supplier firms in Arizona, though no information is readily available on specific supplier firms in the state.

Hospitals and Health Insurance

Phoenix-based **Magellan Health**, one of the largest providers of substance abuse recovery services in the country, [finalized a \\$2.2 billion merger with Missouri-based Centene](#). Magellan executives and board members [were in line for at least \\$36 million in “golden parachute” compensation](#) for selling the Arizona company. In past major acquisitions, Centene has immediately initiated large layoffs while bumping its own CEO’s compensation.

There are six insurers on Arizona’s Affordable Care Act exchange, but a third of the population has [two or fewer choices](#) in their county. The [average price of the lowest-cost plans](#) is \$342 in 2021, higher than in all five neighboring states and the country as a whole. The highest-tier “Gold” plans average \$553 per month in Arizona, higher than in all five neighboring states and 15 percent higher than the national average. Overall health care prices in Arizona rose by 17.7 percent from 2014 to 2018, [more than the national average](#) of 15 percent.

- Arizonans insured through their employer pay [9 percent more than the national average](#) in out-of-pocket medical expenses overall.
 - Including those not insured through work, Arizonans’ overall OOP costs are 7 percent above the national average.
- Arizona [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. It is one of 25 states with no laws protecting patients. Surprise billing is [more common](#) in concentrated markets.
- One in seven Arizonans have recently [forgone medical care due to costs](#). One in five rates as “highly burdened” on overall medical costs.

Arizona’s health care market is highly concentrated. Two-thirds of all hospital beds in the state are controlled by just four firms: **Banner Health** (34 percent), **Tenet** (12

percent), Catholic hospital titan **CommonSpirit** (11 percent), and **HonorHealth** (10 percent). Banner Health is the single largest employer in the state, and the other three dominant firms rank in the top 30.

Private equity firms have a small but significant presence in the state's hospitals as well, with **Apollo**-owned **LifePoint** controlling 2.5 percent of all beds and **Steward** -- which was formally bought back from **Cerberus** in the summer of 2020 -- holding another 2 percent. Several previously independent Arizona hospitals [merged in 2012 to form RCCH Healthcare Partners](#), which was also later bought up by Apollo. Arizona Senator Kyrsten Sinema has [received](#) \$24,500 in campaign contributions from Apollo executives.

- 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.

The two major metro area hospital markets within Arizona are also subject to local monopoly dynamics. The Phoenix market is the 66th most concentrated of the [112 metro areas ranked by the Health Cost Institute](#), which rates it "highly concentrated." Tucson ranks 85th and is rated "moderately concentrated." Concentration in hospitals is tied to [higher prices for patients](#) and [worse quality of care](#) after hospital acquisitions.

At least [4 rural hospitals in Arizona](#) have closed since 2005.

Pharmaceuticals, Pharmaceutical Benefits Management Firms (PBMs), &

Retail Pharmacies

Corporate pharmacies control [88 percent](#) of Arizona's retail prescriptions market by sales volume

- 85 percent of all retail pharmacies in Arizona are in chain drug stores, supermarkets, or big-box retailers.
- **CVS** and **Walgreens** alone run 43 percent of all retail pharmacies in the state.
- Roughly 93 percent of the state’s community retail pharmacists work for corporate chains.

Arizonans 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 **Schnucks** locations in Wisconsin and hundreds of **Eckerds**, **Albertsons**, and **Target** pharmacies nationwide. Walgreens made several acquisitions, though none with a clear direct impact in Arizona.

Arizona [recently enacted a limited reform targeting Pharmaceutical Benefit Management corporations \(PBMs\)](#), a sector dominated by three monopolies that are integrated into other insurance and retail-pharmacy monopolies. The new law bars the monopolies from charging per-transaction “adjudication fees” to pharmacies each time they fill a prescription through the PBM. The legislation was led by State Sen. Nancy Barto.

For 94 percent of its patients, Arizona’s Medicaid system utilizes a managed-care agreement to administer benefits. [Pharmaceutical benefits are carved into that agreement’s rules](#). The state spends a gross of \$1.2 billion on Medicaid pharmaceuticals each year, \$822 million of which is reimbursed.

Broadband Access

As of 2011, roughly 7 in 10 Arizonans living in urban areas had three or fewer options for purchasing internet service. Those in rural areas had far fewer choices: 60 percent have only one provider, and 3 in 4 have only two.

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. Half of rural Arizona can't get 100Mbps service at all, 32 percent can only get it from one provider, and just 9 percent have three or more choices. 55 percent of urban Arizonans have two or fewer 100Mbps providers available.

According to a [new revised federal dataset on broadband access](#), roughly 325,000 Arizona households and 929,000 individuals -- about 13 percent of the state -- have no internet access at home at all. Roughly 530,000 people live in the six Arizona counties where median speeds are below the industry-standard 25Mbps. No county in the state has a median download speed of 100 Mbps or higher (the advocacy community's definition of "high-speed broadband").

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

Industrial Agriculture

The state Department of Agriculture reports that it inspected 29 total meat and poultry slaughterhouses statewide in 2020. One of these belongs to meatpacking monopolist **JBS**, which operates a beef slaughterhouse and logistics center in Tolleson. JBS's Tolleson facility was at the center of one of the largest beef recalls in U.S. history in 2018, when 12 million pounds of beef were recalled over salmonella contamination.

Fellow "Big Four" meatpacker **Smithfield** owns 26 farms and a feed mill in Arizona.

The primary impact of industrial agriculture monopolies in Arizona, however, falls upon ranchers who are denied a competitive market by the monopolization of JBS and fellow "Big Four" meatpackers. There are almost 7,000 cattle raisers in the state producing a million head per year, with [an estimated value over half a billion dollars](#). (or roughly 3 percent of the state's total agricultural economy).

The beef industry generates only a small fraction of Arizona's overall agricultural economic activity. The state is home to enormous dairy and egg operations, and several billion dollars a year in cotton, fruit, and vegetable crop raising. The earnings of Arizona's farming communities are therefore also constrained by the monopoly power of seed and pesticide titans like **Monsanto-Bayer** and [the alleged price-rigging in the milk industry driven by decades of mergers and consolidation](#).

Nearly all agricultural revenue in the state [comes from the 6 percent of farms that are larger than 500 acres](#).

[Research](#) suggests that when agricultural production is controlled by only a few large farms, profits are more likely to be pulled out of the community, instead of circulating within it.

Retail

Wisconsin once had 36 **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 11 of those 36 stores closed. Lampert and his investors made hundreds of millions off of the deal.

Dollar General, **Family Dollar**, and **Dollar Tree** operate more than 400 stores across Arizona, though an exact figure is hard to come by given disparities in sources. The Institute for Local Self-Reliance counted a bit less than [1 store for every 10,000 residents](#) as of 2017, and the brands have expanded dramatically nationwide since then. Dollar General operates 125 stores in the state, while Family Dollar and Dollar Tree list a combined 194 Arizona locations on their websites but provide no definitive state store counts in their annual reports.

These corporations' expansion overlaps with a hollowing-out of local grocery stores across the country. 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 Arizona and into high-net-worth investors' pockets. Similarly, most profits from Arizona 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.

Utilities

Pinnacle West Capital Corp. is the state's dominant provider of electricity, through its subsidiary **Arizona Public Service**. It serves more than a third of retail customers in the state. The company objected to a state deregulation proposal in early 2020 by warning that competition would undermine grid reliability for customers. Roughly 2.6 million of the 3.1 million total customers in the state purchase electricity from one of three leading utilities. Despite this weak competition, customer rates match the national average (though utility bills are substantially higher given the climate).

Real Estate

Housing prices have been skyrocketing in Arizona, [increasing by 40 percent](#) since the end of 2020, despite a boom in home construction. Part of this price increase can be attributed to the role of private investors, who in 2021 [bought 31% of Arizona homes sold](#). Private equity firms have bought up thousands of homes across the state. The largest corporate homebuyer is **Innovation Homes**, a subsidiary of **Blackstone Inc**, one of America's largest private equity firms. Innovation Homes has a corporate office in Phoenix and has been [buying Arizona properties since the aftermath of the subprime mortgage crisis](#). In 2018, The Arizona Republic [reported](#) on the company's rental activity, highlighting its unreachable management, absurd fees, and the poor state of many of its properties.

Defense Contractors & Aerospace

Raytheon's missiles division is headquartered in Tucson and employs roughly 13,000 people in the state. Prior to 2020, it was the largest missile-systems manufacturer in the world and the third-largest arms manufacturer. Late that year it completed a merger with **United Technologies** and is now the second-largest overall aerospace and defense company in the U.S. The deal now means that four of what were once the five largest competitors in the sector -- Raytheon, **UTC**, **Pratt & Whitney**, and **Collins Aerospace** -- are one conglomerate. The merger reportedly did not trigger layoffs in Arizona, though executives imposed a 10 percent across-the-board pay cut on corporate office staff at the depths of the global pandemic while the merger was being finalized. In August 2022, Raytheon was [awarded](#) a \$96 million contract to build a new missile system in Arizona.

The firm is politically significant in the state and frequently touts its investments in the state's education system. Arizona taxpayers have given the company roughly \$33 million in subsidies over the years.

Northrup Grumman has multiple large production facilities in Arizona, including a factory in Chandler with 2,500 employees and another in Gilbert with more than 500

workers. It is the second-largest defense contractor and weapons systems manufacturer in the world. Its Arizona presence dates to the late 1980s.

Honeywell's aerospace division is headquartered in Phoenix, one of five total facilities it maintains in the state. It has had a presence in Arizona since 1942 and currently employs more than 6,000 in the state. Honeywell is the world's second-largest conglomerate by market cap.

Freeport McMoRan is headquartered in Phoenix. It is the single largest copper producer in the world and the dominant player in certain sub-industries of the mining sector. It maintains numerous mine and waste-storage facilities in Arizona, including one recently-purchased patch of pristine state-owned land in the Sonora Desert which it intends to use for toxic mine tailings.

It also has a long record of scandal, both in Arizona and around the world. It has paid at least \$6.9 million in fines and settlements over contaminated local water supplies around Arizona. Globally, it owes its monopoly position in large part to a massive gold and copper claim in Indonesia the conglomerate obtained from the Suharto dictatorship. When workers there have periodically staged protests over reportedly dire and deadly working conditions, Freeport pays kickbacks to Indonesian military officials to help violently suppress the protests.

Rio Tinto and **BHP Billiton** are the second and third largest mining corporations on the planet. They cooperate with the Resolution Copper Mine in Arizona, which is an attempt to reach "[the fourth-largest undeveloped copper deposit in the world](#)" roughly a mile and a half below the surface. The site is 20 miles from the San Carlos Apache Indian Reservation and opposes the project on both religious and environmental grounds, though mining company staff insist the two sit on different aquifers that could not possibly cross-contaminate. In the spring of 2021, the U.S. Forest Service [rescinded environmental-impact approval of the project](#). Department of Agriculture staff believe it would take congressional action to protect the site from mining long-term.

Private Prisons

CoreCivic/CCA operates seven prisons and jails in Arizona -- four in Eloy, two in Tucson, and one in Florence. Their combined capacity is just over 12,000 beds, which is roughly 20 percent of the total incarcerated population of the state as of 2018. At least one of the facilities is used by ICE. (It is not advised to assert that one fifth of incarcerated Arizonans are in for-profit jails, due to the fluctuating nature of prison populations and the fact few facilities operate at capacity at all times.) CoreCivic and rival **GEO Group** control roughly half of all private prison contracts in the country.

A [report](#) by the US Inspector General's Office found that private prisons have far more assaults to place than government-run facilities and are more likely to throw inmates into solitary confinement merely for lack of space

For-Profit Education

Apollo Education Group-owned **University of Phoenix** is among the largest for-profit higher education companies in the U.S. It recently settled a Federal Trade Commission suit over [deceptive advertising claims](#) by paying a \$50 million cash fine and agreeing to forgive \$141 million in outstanding loan debts. For-profit higher education has reportedly seen a resurgence in enrollment since the start of the coronavirus pandemic, following years of declining numbers in the mid 2010s driven in part by high-profile scandals, bankruptcies, and debt-strike organizing at some of Apollo's main competitors. Much of the revenue that flows to Apollo's high-net-worth private investor owners derives from taxpayer-funded loan programs, with the rest coming from the private education finance market.

Airlines

The Phoenix airport is a significant hub for **American Airlines**, after it absorbed Arizona-based **US Airways** in 2013. The merger made Phoenix less important in the larger firm than it had been to US Airways, prompting some upheaval ([American relocated a substantial number of flight attendants](#) from Phoenix to other home-base cities). American Airlines also controls roughly half of all air traffic through Phoenix

and employs twice as many people there as does **Southwest**, which regards the city as a “focus city” or mini-hub.

Finance & Banking

Bank of America and **Wells Fargo** maintain significant corporate offices at a pair of skyscrapers in downtown Phoenix. They are the second and third largest American banks by total deposits. Bank of America’s consolidation of market power includes two megamergers involving massive layoffs: 35,000 reportedly lost their jobs when BofA absorbed **Merrill Lynch** following the 2008 crash, while 12,500 were laid off after BofA absorbed FleetBoston in 2004. Each ranks among Arizona’s top 25 employers.

Schwab Advisor Services is the largest Registered Investment Advisor firm in the country, with a 30 percent market share in the segment and \$1.6 trillion in managed assets. Its staff work out of Schwab’s Phoenix office rather than the firm’s overall headquarters in California. Schwab recently absorbed **T.D. Ameritrade**, shuttering four of every five branches and laying off 1,000 Ameritrade staff. Ameritrade had itself engineered a similar megamerger-layoff scheme three years prior, buying Arizona-born **Scottrade** and laying off 1,200 workers in St. Louis, MO.

Freedom Financial Network is a leading provider of consumer debt relief services. Executives have said its annual revenues are roughly \$750 million. It has two office buildings in Tempe and employs more than 2,000 people in the state.