



August 11, 2021

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
45 L Street, NE
Washington, DC 20554

Re: *Application for Consent to Transfer Control of International Section 214 Authorization*, GN Docket No. 21-112

Dear Ms. Dortch:

Public Knowledge, Access Humboldt, the Benton Institute for Broadband and Society, the California Center for Rural Policy, and Communications Workers of America (“Public Interest Groups”) submit this letter contemporaneously with Verizon’s submission to the Commission committing to conditions to protect low-income and Lifeline subscribers affected by the transfer of control (the “Transaction”) of TracFone Wireless, Inc. (“TracFone”) to Verizon Communications, Inc. (“Verizon”).¹

The Public Interest Groups have raised serious concerns about the Transaction, especially its probable effect on low-income subscribers, the Lifeline program,² and wireless competition.³ To address these concerns, Verizon has committed to the following conditions as reflected in Verizon’s contemporaneous filing with the Commission:

- 1. Lifeline Service.** Verizon commits to continuing to offer TracFone's current Lifeline-supported services for a minimum of 3 years following the close of the transaction.
- 2. Lifeline Plans.** Verizon will not add new co-pays to TracFone’s existing Lifeline plans offered at no cost to prepaid customers for at least 3 years after the transaction closes, provided that the terms of the Lifeline program do not change in a way that

¹ See, e.g., Opposition of Public Knowledge et al. (Oct. 16, 2020); Reply of Public Knowledge et al. (Oct. 30, 2020); Opposition of Communications Workers of America (Nov. 16, 2020); Comments of Communications Workers of America (Dec. 18, 2020); Comments of Public Knowledge et al. (Dec. 18, 2020); Comments of Public Knowledge et al. (Mar. 12, 2021); Comments of Communications Workers of America (Mar. 12, 2021); Reply of Communications Workers of America (Apr. 2, 2021).

² See, e.g., Letter from Public Interest and Civil Rights Groups to Jessica Rosenworcel, Acting Chair, Fed. Comm’n Comm’n (Apr. 6, 2021); Opposition of Communications Workers of America (Nov. 16, 2020).

³ See, e.g., Opposition of Communications Workers of America (Nov. 16, 2020); Reply of the American Antitrust Institute (Apr. 2, 2021).

materially increases costs or decreases the subsidy. Nothing in this commitment shall prevent Verizon from pursuing compensation through state or federal device reimbursement programs so long as no unrecovered costs are passed on to Verizon's Lifeline subscribers.

3. **Marketing.** Verizon commits to maintaining at least the same budget as TracFone did in 2020 for Lifeline Marketing throughout TracFone's entire service area for at least 3 years following the close of the transaction.
4. **No Customer Left Behind.** Verizon commits to honor the rates, terms and conditions of the MVNO agreements that Verizon is assuming from TracFone, and to provide resold voice and data services consistent with the terms of those agreements for at least 2 years after the transaction closes. Verizon also commits to negotiate in good faith with an MNO to extend the terms of TracFone's existing MVNO agreements for up to 3 years after the transaction closes if doing so would be necessary to avoid service disruption to a significant number of TracFone customers. Nothing in this commitment will require Verizon to modify the rates, terms, or conditions of any agreement it assumes from TracFone.
5. **5G.** Within 6 months after the Transaction closes, Verizon will make available a TracFone service plan to Lifeline prepaid customers that includes 5G service. And Verizon will increase the range of cost-effective 5G devices available to TracFone customers using commercially reasonable subsidy practices supported by regulatory flexibility.
6. **Enforcement.** For a period of 3 years after the close of the transaction, Verizon commits to submitting a quarterly report to the Commission that includes the current number of Lifeline subscribers within the service area Verizon will acquire from TracFone, data regarding its migration of customers from TracFone's other underlying networks to Verizon's including the number of devices that have successfully transferred, and the availability of 5G for Lifeline customers, including which geographic service areas have access to Verizon's 5G network and how many Lifeline customers are receiving 5G service. The report will list all states where TracFone offers a Lifeline-supported service, and will provide a state-by-state breakdown of amounts spent on advertising and other marketing activities associated with Lifeline. Verizon may file proprietary information with the Commission on a confidential basis, making it available only to representatives of parties to the transaction docket who have signed the relevant protective order (either during the pendency of the proceeding or thereafter) provided that Verizon shall also file a public version redacting the proprietary information to be available for review by the public.

The Public Interest Groups believe that these conditions adequately address their concerns and withdraw their objections to the Transaction contingent on the Commission's incorporation of all of Verizon's commitments as enforceable and mandatory in the final order of this proceeding.

While the Public Interest Groups are conditionally withdrawing their objections, the Public Interest Groups may remain active in any relevant state proceedings.⁴ Verizon's commitments merely meet the federal floor of regulatory requirements, but more searching review may be required under the law and policy of each state where the Transaction is under review. In those proceedings, the Public Interest Groups will remain vigilant to help ensure that the Transaction serves the public interest.

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Pursuant to Section 1.106 of the Commission's rules, a copy of this letter is being submitted in the record of this proceeding. Please contact the undersigned with any questions.

Respectfully submitted,

/s/ Kathleen Burke

*Admitted to the Bar under D.C. App. R. 46-A
(Emergency Examination Waiver)*

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⁴ See, e.g., Assigned Commissioner's Scoping Memo and Ruling, *In the Matter of the Joint Application of TracFone Wireless, Inc. (U4321C), América Móvil, S.A.B. de C.V. and Verizon Communications, Inc. for Approval of Transfer of Control over TracFone Wireless, Inc.*, California Public Utilities Comm'n Application 20-11-001 (Feb. 24, 2021).