

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Service Rules for the 698-746, 747-762 and 777-792 MHz Bands	)	WT Docket No. 06-150
	)	
Promoting Consumer Choice and Wireless Competition Through Handset Unlocking Requirements and Policies	)	WT Docket No. 24-186
	)	
Application of Verizon Communications Inc. and America Movil, S.A.B. de C.V. for Consent to Transfer Control of International Section 214 Authorization	)	GN Docket No. 21-112
	)	
	)	

**ORDER**

**Adopted: January 12, 2026**

**Released: January 12, 2026**

By the Chief, Wireless Telecommunications Bureau:

**I. INTRODUCTION**

1. Sophisticated criminal networks and everyday lawbreakers alike are running schemes to steal and fraudulently obtain smartphones, including from retail locations and individuals. These schemes not only threaten public safety when they involve smash and grab crimes. Criminal networks use the proceeds from the theft of millions of smartphones to fund fraud and trafficking operations at a global scale.

2. One way that carriers deter and prevent this type of fraudulent activity is to lock their phones—meaning, they prevent the phones from being switched right away from one network to another. Due in part to a 2007 Commission rule, Verizon has been required to unlock its phones much faster than other carriers. Today, criminal networks are specifically targeting Verizon handsets due to the company’s unique unlocking policies. The Commission’s rules currently require Verizon to unlock its handsets 60 days after activation. Once unlocked, many handsets are effectively stolen from Verizon and resold on the black market, commanding premium prices on the dark web, particularly in countries like Russia, China, and Cuba. Handset trafficking comprises a major revenue stream for organized crime syndicates, alongside identity theft, synthetic fraud, bogus credit checks, and other forms of racketeering. Time and again, federal and state law enforcement has investigated and prosecuted transnational handset trafficking schemes, finding they facilitate broader criminal enterprises like drug and human smuggling. In addition to jeopardizing public safety, substantial governmental resources are needed to investigate these crimes.

3. While handset trafficking can afflict all wireless carriers, Verizon remains especially vulnerable because it is the only nationwide provider subject to unlocking requirements imposed by the Commission in 2007. The scope and scale of bad debt and competitive harm ballooned after the Commission approved Verizon’s acquisition of Tracfone in 2021, which was conditioned on extending Verizon’s unlocking policy to Tracfone’s prepaid devices. In total, the Commission’s current rules cost Verizon hundreds of millions of dollars each year in deadweight loss—money which could have been invested in network upgrades or consumer friendly deals.

4. Pursuant to section 1.3 of the Commission’s rules, we find good cause to grant Verizon’s request for a waiver of the section 27.16(e) handset unlocking rule as it applies to Verizon, including the

unlocking commitment that Verizon agreed to as part of its acquisition of TracFone.<sup>1</sup> We find this waiver to be warranted because it will allow Verizon to take action against the substantial handset fraud, including device theft and handset trafficking, that uniquely impacts its business today and that significantly spiked following Verizon's acquisition of TracFone in 2021. While this waiver is in effect, Verizon has committed to fully comply with the unlocking policies in the CTIA Consumer Code for Wireless Service, which includes handset unlocking commitments that will benefit Verizon's customers by enhancing transparency and the disclosure of Verizon's unlocking policies.<sup>2</sup> In accordance with the relief requested by Verizon, this waiver will remain in effect until such time as the Commission decides on an appropriate industry-wide approach for the unlocking of handsets.<sup>3</sup>

## II. BACKGROUND

5. In 2007, the Commission adopted the section 27.16(e) unlocking rule as part of a set of "open platform" requirements imposed upon Upper 700 MHz C Block licensees.<sup>4</sup> This rule prohibits licensees from locking handsets that operate on the Upper 700 MHz C Block frequency bands (i.e., the 746-757 and 776-787 MHz bands).<sup>5</sup> Under this rule, no C Block licensee "may disable features on handsets it provides to customers, to the extent such features are compliant with the licensee's standards . . . , nor configure handsets it provides to prohibit use of such handsets on other providers' networks."<sup>6</sup> The Commission stated that Upper 700 MHz C Block licensees "may not 'lock' handsets to

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<sup>1</sup> Verizon Request for Waiver, Regarding the Commission's Ban on Locking Handsets for C-Block Licensees, WT Docket Nos. 24-186 and 06-150; GN Docket No. 21-112 (filed May 19, 2025), <https://www.fcc.gov/ecfs/document/106062281927545/1> (Verizon Petition). The Verizon companies participating in this filing are the regulated, wholly owned subsidiaries of Verizon Communications Inc. *Id.* at 1 & n.1.

<sup>2</sup> *Id.* at 4, 17; see CTIA, *Consumer Code for Wireless Service*, <https://www.ctia.org/the-wireless-industry/industry-commitments/consumer-code-for-wireless-service> (last visited Jan. 12, 2026) (CTIA Consumer Code).

<sup>3</sup> Verizon Petition at 19 (requesting "a waiver of Rule 27.16(e) and the unlocking commitment that the Commission adopted as a condition in approving Verizon's acquisition of TracFone until such time as the Commission decides on an appropriate industry-wide approach for the unlocking of wireless devices."). We clarify that the term handsets also incorporates any other wireless mobile devices operating on the Upper 700 MHz C Block band.

<sup>4</sup> *Service Rules for the 698–746, 747–762 and 777–792 MHz Bands et al.*, WT Docket 06-150 et al., Second Report and Order, 22 FCC Rcd 15289, 15361, 15370–71, 15501, paras. 195, 222, Appx. B (2007) (*700 MHz Second Report and Order*) (adopting 47 CFR § 27.16(e)). We note that WT Docket No. 06-150 was ordered terminated in a recent order issued by the Consumer and Governmental Affairs Bureau (CGB), DA 25-1002 (rel. Dec. 3, 2025). After consultation between CGB and WTB, CGB has determined pursuant to 47 CFR § 1.113(a) that this docket is not a good candidate for termination and will remain open.

<sup>5</sup> 47 CFR § 27.16(e). Mobile wireless handsets may contain software that prevents them from being used on another service provider's technologically compatible network (i.e., the software "locks" the handset to a particular service provider's network). FCC, Wireless Telecommunications Bureau, *Cell Phone Unlocking*, <https://www.fcc.gov/general/cell-phone-unlocking> (last visited Jan. 12, 2026). By contrast, "unlocking" a handset refers to disabling the software that prevents a handset designed for one service provider's network from being activated on another service provider's network. *Id.* (explaining cell phone unlocking). Due to differing technologies, an unlocked handset may not work or may experience limited functionality on another service provider's network. *See id.*

<sup>6</sup> 47 CFR § 27.16(e). Upper 700 MHz C Block licensees *may* disable a feature on a handset if: (1) the feature "would not be compliant with published technical standards reasonably necessary for the management or protection of the licensee's network," or (2) disabling the feature is "required to comply with [a] statute or applicable government regulation." 47 CFR § 27.16(b).

prevent their transfer from one system to another.”<sup>7</sup> As one of the Upper 700 MHz C Block licensees, Verizon must comply with the section 27.16(e) handset unlocking rule.<sup>8</sup>

6. In 2013, the wireless industry, as represented by CTIA, established voluntary unlocking standards for mobile wireless handsets.<sup>9</sup> These voluntary unlocking standards were subsequently adopted and incorporated into the existing CTIA Consumer Code for Wireless Service.<sup>10</sup> They consist of six general handset unlocking commitments that cover: (1) disclosure; (2) postpaid unlocking policy; (3) prepaid unlocking policy; (4) notice; (5) response time; and (6) deployed military personnel unlocking policy (CTIA Unlocking Commitments).<sup>11</sup> Service providers that abide by these commitments will unlock a postpaid handset after it is paid in full and a prepaid handset no later than one year after initial activation, consistent with reasonable time, payment, or usage requirements.<sup>12</sup>

7. In 2019, the Wireless Telecommunications Bureau (Bureau) granted Verizon a partial waiver of the section 27.16(e) handset unlocking requirement to allow Verizon to better combat identity theft, device theft, and other types of handset-related fraud.<sup>13</sup> The waiver allows Verizon to lock handsets that operate on the Upper 700 MHz C Block frequencies for 60 days from the date the handsets become

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<sup>7</sup> 700 MHz Second Report and Order, 22 FCC Rcd at 15371, para. 222.

<sup>8</sup> At auction, Verizon won nine of the 12 Upper 700 MHz C Block licenses that cover the 48 contiguous states, Alaska, Hawaii, and the Gulf of Mexico. See *Service Rules for the 698–746, 747–762 and 777–792 MHz Bands*, WT Docket No. 06-150, Order, 34 FCC Rcd 5134, 5134, para. 1 & n.1 (WTB 2019) (*Verizon Waiver Order*).

<sup>9</sup> See Letter from Tom Wheeler, Chairman, FCC, to Steve Largent, President and CEO, CTIA at 1 (Nov. 14, 2013), <https://docs.fcc.gov/public/attachments/DOC-324166A1.pdf> (noting the FCC staff’s work with CTIA to update the consumer code and urging prompt adoption of an unlocking policy in the CTIA Consumer Code); Letter from Steve Largent, President and CEO, CTIA, to Chairman Wheeler and Commissioners, FCC at 1 (Dec. 12, 2013), <https://api.ctia.org/docs/default-source/fcc-filings/ctia-letter-on-unlocking.pdf> (CTIA Consumer Code Letter) (announcing certain mobile providers’ adoption of voluntary unlocking standards and CTIA’s recommendation to add them to the CTIA Consumer Code).

<sup>10</sup> See FCC, Wireless Telecommunications Bureau, *Cell Phone Unlocking*, <https://www.fcc.gov/general/cell-phone-unlocking> (last visited Jan. 12, 2026) (“On February 11, 2014, CTIA-The Wireless Association adopted six standards on mobile wireless device unlocking (‘the commitment’) into the CTIA Consumer Code for Wireless Service.”).

<sup>11</sup> CTIA Consumer Code, Section 12. Specifically, these unlocking commitments provide as follows. First, carriers adopting the commitments “will post on their websites their clear, concise, and readily accessible policies on postpaid and prepaid mobile wireless device unlocking.” *Id.* Second, for postpaid service agreements, carriers “upon request will unlock mobile wireless devices or provide the necessary information to unlock devices for their customers . . . after the fulfillment of the applicable postpaid service contract, device financing plan, or payment of an applicable early termination fee.” *Id.* Third, for prepaid plans, carriers “upon request will unlock prepaid mobile wireless devices no later than one year after initial activation, consistent with reasonable time, payment or usage requirements.” *Id.* Fourth, carriers “will clearly notify customers that their devices are eligible for unlocking at the time when their devices are eligible for unlocking or automatically unlock devices remotely when devices are eligible for unlocking, without additional fee.” *Id.* Fifth, “[w]ithin two business days after receiving a request, carriers will unlock eligible mobile devices, or initiate a request to the OEM to unlock the eligible device.” *Id.* Finally, carriers “will unlock mobile wireless devices for deployed military personnel who are customers in good standing upon provision of deployment papers.” *Id.*

<sup>12</sup> *Id.* (describing scenarios in which service providers that abide by the commitments will unlock devices). Postpaid subscribers are billed each month after service has been provided, and prepaid subscribers pay for services in advance of receiving them. *Communications Marketplace Report*, GN Docket No. 24-119, 2024 Communications Marketplace Report, 39 FCC Rcd 14116, 14182, para. 78 & n.228 (2024) (characterizing and distinguishing “postpaid” and “prepaid” services).

<sup>13</sup> *Verizon Waiver Order*, 34 FCC Rcd at 5134, 5137, 5139, paras. 1, 11, 15.

active on its network.<sup>14</sup> The Bureau found that allowing handsets to be locked for 60 days to combat handset fraud would not significantly interfere with the policy objective of enabling consumers to be able to migrate from one mobile wireless service provider to another on compatible networks.<sup>15</sup>

8. Subsequently, in 2021, Verizon acquired TracFone and approximately 20 million prepaid customers.<sup>16</sup> Verizon's acquisition of TracFone combined the second largest facilities-based service provider in the United States with the largest mobile virtual network operator (MVNO).<sup>17</sup> As part of the transaction review, Verizon indicated that it would align TracFone's unlocking policies with its 60-day unlocking obligation, as required under the Upper 700 MHz C Block rules, and it made a number of commitments to ensure a smooth transition and sufficient notice during Verizon's implementation of its 60-day unlocking policy for TracFone customers provisioned on Verizon's network.<sup>18</sup> The Commission acknowledged Verizon's obligation to apply its 60-day unlocking policies to TracFone devices and adopted the transition commitments as part of the transaction approval.<sup>19</sup>

9. In 2024, the Commission released the *Handset Unlocking NPRM*, exploring the use of handset unlocking policies as a means to improve consumer choice and flexibility and to enhance competition in the mobile wireless marketplace.<sup>20</sup> The Commission tentatively concluded that adopting a broadly applicable set of handset unlocking requirements for all mobile wireless service providers would serve the public interest, and it sought comment on which specific requirements would best facilitate competition and consumer choice.<sup>21</sup> This rulemaking is presently pending before the Commission.

10. On May 19, 2025, Verizon filed a Request for Waiver regarding the section 27.16(e) handset unlocking rule that applies to Verizon as a 700 MHz C Block licensee and the handset unlocking commitment that applies to Verizon as a condition of the Commission's approval of Verizon's acquisition of TracFone.<sup>22</sup> Verizon states that if its waiver request is granted it will abide by the CTIA Unlocking

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<sup>14</sup> *Id.* at 5134, 5137, paras. 1, 11. After the expiration of the 60-day period, Verizon would have to automatically unlock handsets that operate on the Upper 700 MHz C Block frequencies, regardless of whether (1) the customer asks for the handset to be unlocked, or (2) the handset is fully paid off. *Id.* at 5137, para. 11. However, the Bureau provided an exception to this unlocking requirement for "handsets that [Verizon] determines within the 60-day period to have been purchased through fraud." *Id.*

<sup>15</sup> *Id.* at 5137, para. 11.

<sup>16</sup> See *Application of Verizon Communications Inc. and América Móvil, S.A.B. de C.V. for Consent to Transfer Control of International Section 214 Authorization*, GN Docket No. 21-112, Memorandum Opinion and Order, 36 FCC Rcd 16994, 16995, para. 2 (2021) (*Verizon-TracFone Order*). TracFone offered prepaid plans under the names SafeLink Wireless, Straight Talk Wireless, Net10 Wireless, Walmart Family Mobile, Total Wireless, Go Smart Mobile, Page Plus, and Simple Mobile. *Id.* at 16998, para. 13.

<sup>17</sup> *Id.* at 17006, para. 34.

<sup>18</sup> See, e.g., *id.* at 17040-41, paras. 123-25 (citing Letter from William H. Johnson, Senior Vice President, Verizon, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 21-112 at 3 (filed Nov. 3, 2021) (Verizon Nov. 3, 2021 *Ex Parte*)); *id.* at 17054, Appx. B.

<sup>19</sup> *Id.* at 16996, 17040-41, 17045, paras. 8, 123-25, 144.

<sup>20</sup> See *Promoting Consumer Choice and Wireless Competition Through Handset Unlocking Requirements and Policies*, WT Docket No. 24-186, Notice of Proposed Rulemaking, 39 FCC Rcd 8111, 8111, para. 1 (2024) (*Handset Unlocking NPRM*).

<sup>21</sup> *Id.* at 8111, 8116, paras. 1, 12.

<sup>22</sup> Verizon Petition at 1.

Commitments<sup>23</sup> and requests that the waiver remain in effect “until such time as the Commission decides on an appropriate industry-wide approach for the unlocking of wireless devices.”<sup>24</sup>

11. On June 6, 2025, the Bureau sought comment on Verizon’s waiver request.<sup>25</sup> Commenters supporting Verizon’s request include seven State Attorneys General (State AGs) (filing jointly),<sup>26</sup> Citizens Against Government Waste (CAGW), the 60 Plus Association et al. (60 Plus Association),<sup>27</sup> law enforcement organizations,<sup>28</sup> and individual commenters. These parties argue that the Commission’s unlocking requirements inadvertently facilitate far-reaching crime and fraud, including identity theft and drug trafficking; disincentivize device subsidies; and erode national security, competition, and consumer choice.<sup>29</sup>

12. Some commenters, including Public Knowledge et al. (Public Knowledge),<sup>30</sup> Rural Wireless Association (RWA), NCTA—The Internet & Television Association (NCTA), and EchoStar Corporation (EchoStar), ask the Commission to issue uniform unlocking rules in the pending *Handset Unlocking NPRM* proceeding rather than address Verizon’s specific waiver request only.<sup>31</sup> RWA, Public

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<sup>23</sup> *Id.* at 4, 17.

<sup>24</sup> *Id.* at 19.

<sup>25</sup> *Wireless Telecommunications Bureau Seeks Comment on Verizon’s Petition for Waiver of the Commission’s Section 27.16(e) Handset Unlocking Rule and Verizon’s TracFone Unlocking Commitment*, Public Notice, DA 25-490, at 1 (WTB June 6, 2025) (Waiver Petition Public Notice).

<sup>26</sup> The State AGs represent Arkansas, Georgia, Idaho, Kansas, Montana, Utah, and West Virginia. State AGs Comments at 3.

<sup>27</sup> The 60 Plus Association filed joint comments with: American Association of Senior Citizens; American Consumer Institute; American Enterprise Institute; CAGW; Consumer Action for a Strong Economy; Digital Liberty; Entropy Economics; Hispanic Leadership Fund; Institute for Policy Innovation; Institute for Technology and Network Economics; Less Government; and National Security Institute, George Mason University. 60 Plus Association Comments at 2.

<sup>28</sup> The law enforcement organizations supporting Verizon’s waiver request include: International Union of Police Associations (IUPA); International Association of Chiefs of Police (IACP); National Sheriffs’ Association; Oklahoma State Bureau of Investigation Agents Association (OSBI Agents Association); Salt Lake Valley Law Enforcement Association (SLVLEA); New York Police Department Sergeants Benevolent Association (NYPD SBA); Toledo Police Patrolman’s Association (TPPA); and Virginia Beach Police Benevolent Association (Virginia Beach PBA).

<sup>29</sup> *See, e.g.*, State AGs Comments at 1-2; CAGW Comments at 1-2 (both claiming that unlocking requirements lead to fraud and device trafficking and may cause higher consumer prices); IUPA Comments at 1-2 (asserting that unlocked handsets facilitate identity theft and drug trafficking); 60 Plus Association Comments at 2 (claiming that unlocking requirements hinder access to subsidized handsets).

<sup>30</sup> On July 7, 2025, Public Knowledge filed a document captioned “Opposition to Waiver and Comments” in the dockets associated with this proceeding jointly with: Benton Foundation, Canadian Repair Coalition, Consumer Reports, Electronic Frontier Foundation, Fight for the Future, iFixit, Fulu Foundation, Open Technology Institute at New America, Aaron Perzanowski, Repair.org, and Software Freedom Conservancy. *See* Public Knowledge et al. Opposition to Waiver and Comments, WT Docket 24-186 et al., at 13 (rec. July 7, 2025) (Public Knowledge Comments). We treat this filing as a comment filing. *See* Waiver Petition Public Notice at 1 (setting a comment filing deadline of July 7, 2025).

<sup>31</sup> *See, e.g.*, Public Knowledge Comments at 9; RWA Comments at 1-3; NCTA Comments at 2-3; EchoStar Comments at 2; Letter from Mary Claire York, Vice President & Associate General Counsel, NCTA, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 24-186, at 2 (filed Dec. 3, 2025) (NCTA Dec. 3 *Ex Parte*); Letter from Mary Claire York, Vice President & Associate General Counsel, NCTA, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 24-186, at 1-2 (filed Dec. 5, 2025) (NCTA Dec. 5 *Ex Parte*). While several commenters advocate for a uniform approach to handset unlocking, they often advocate for additional or different specifics than the ones that Verizon proposes in its request. *See, e.g.*, NCTA Comments at 2; NCTA Dec. 3 *Ex Parte* at 2, 3 (both supporting a

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Knowledge, and several companies and individual commenters argue further that waiving the unlocking rule is not an effective way to address any fraud that may exist.<sup>32</sup>

### III. DISCUSSION

13. Section 1.3 of the Commission’s rules provides that the Commission may “on its own motion or on petition” waive a rule “for good cause shown, in whole or in part, at any time.”<sup>33</sup> The Commission may find that the “good cause” standard is met only if: (1) “special circumstances warrant a deviation from the general rule”; and (2) “such deviation will serve the public interest.”<sup>34</sup> We find good cause exists under the special circumstances of this case and that it is in the public interest to grant Verizon’s waiver request until such time as the Commission decides on an appropriate industry-wide approach for the unlocking of handsets.<sup>35</sup>

14. *Special Circumstances Exist to Grant the Waiver.* We find that Verizon has presented special circumstances that warrant a deviation from the section 27.16(e) handset unlocking rule which requires Verizon to unlock handsets after 60 days—as allowed under the partial waiver—because the rule does not provide Verizon with sufficient time to deter handset fraud that uniquely impacts its business.<sup>36</sup> Verizon is the only nationwide operator subject to the handset unlocking rule at issue and, based on the size of its subscriber base and Upper 700 MHz C Block holdings, has the largest financial exposure of any provider subject to the rule. Verizon provides evidence establishing hundreds of millions of dollars of losses annually due to the handset unlocking rule.<sup>37</sup> Verizon contends that handset locking is one of the few effective tools it has at its disposal to address device trafficking and deter bad actors.<sup>38</sup> The special circumstances of this case support the conclusion that Verizon’s inability to lock a handset for a period longer than 60 days causes it significant losses and harms to consumers.

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uniform and automatic handset unlocking requirement); Doug J Bartek Comments at 2 (filed on behalf of Tango Networks, Inc.) (Tango Networks Comments); Pinal Patel Comments at 1-2; Public Knowledge Comments at 8 (all supporting a uniform 60-day unlocking period); Console Enterprises Comments at 7 (supporting a uniform prohibition on handset locking absent a finding of fraudulent or criminal activity).

<sup>32</sup> See, e.g., RWA Comments at 3-4; Public Knowledge Comments at 2; Pinal Patel Comments at 1; Andrew Parker Reply at 1; Console Enterprises Reply at 4; Tango Networks Comments at 6; Alexander Bryant Comments at 1; Matthew J Ratajczyk Comments at 1.

<sup>33</sup> 47 CFR § 1.3.

<sup>34</sup> E.g., *Ne. Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990); see *WAIT Radio v. FCC*, 418 F.2d 1153, 1157-59 (D.C. Cir. 1969).

<sup>35</sup> Verizon Petition at 19, 11 (stating that, in its postpaid segment, Verizon “continues to experience significant rates of [handset] fraud,” despite the protections provided by device financing plans); Verizon Reply at 4 (stating that “device fraud has permeated both the postpaid and prepaid segments of the wireless marketplace”); Letter from William H. Johnson, Senior Vice President & Deputy General Counsel, Verizon, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 24-186, at 1, Attach. at 5 (filed Apr. 10, 2025) (Verizon Apr. 10 *Ex Parte*).

<sup>36</sup> Verizon Petition at 9-10.

<sup>37</sup> Declaration of Stephen Schwed, Exh. C to Verizon Comments, WT Docket 24-186 (filed Sept. 9, 2024) (Verizon NPRM Comments), ¶ 8 (Schwed Decl.); Verizon Communications Inc. Supplemental Compliance Report on Verizon/TracFone Merger Conditions, WT Docket 22-210, at 2-3 (filed Sept. 8, 2025) (*Verizon-TracFone* Supplemental Compliance Report); Verizon Apr. 10 *Ex Parte* at 1, Attach at 5; Letter from William H. Johnson, Senior Vice President & Deputy General Counsel, Verizon, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 24-186, at 2 (filed July 31, 2025) (Verizon July 31 *Ex Parte*).

<sup>38</sup> Verizon Apr. 10 *Ex Parte* Attach. at 2; Letter from William H. Johnson, Senior Vice President & Deputy General Counsel, Verizon, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 24-186, at 1 (filed Sept. 30, 2025) (Verizon Sept. 30 *Ex Parte*).

15. Verizon raises concern that device fraud and trafficking is a large and growing problem, and that the current unlocking requirement places a target on Verizon and its customers.<sup>39</sup> It also asserts that the handset fraud Verizon confronts “is sophisticated” and “organized globally through connected criminal networks.”<sup>40</sup> The record indicates that since the partial waiver in 2019, device fraud has remained at elevated levels,<sup>41</sup> which contributes to fraud in both the prepaid and postpaid markets.<sup>42</sup> Verizon claims that this has culminated in it losing an estimated 784,703 devices to fraud across both prepaid and postpaid offerings in 2023, costing it hundreds of millions of dollars.<sup>43</sup> For the prepaid market, Verizon explains that its circumstances changed after its 2021 acquisition of TracFone, which significantly increased its exposure to the prepaid business model and associated types of fraud.<sup>44</sup> Verizon states that it “saw a spike in fraud of approximately 55% after TracFone moved from its earlier

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<sup>39</sup> See *Verizon-TracFone Supplemental Compliance Report* at 2-3. As an example, Verizon has reported that more than 46 robberies occurred in its stores in the Washington, DC area during a recent 12-month period, including four robberies in a 4-day period, because the 60-day handset unlocking rule generally makes Verizon a “prime target for organized device traffickers.” Verizon July 31 *Ex Parte* at 1-2; see also Verizon Sept. 30 *Ex Parte* at 1.

<sup>40</sup> Verizon Apr. 10 *Ex Parte* Attach. at 2. Verizon also indicates that an upcoming report (i.e., the CFCA biannual Global Fraud Loss Survey) indicates that “fraud associated with device/equipment resale is now the largest category of fraud faced by providers who responded to the CFCA’s survey,” whereas “[f]raud associated with device/equipment resale was not in the top 5 types of fraud reported as recently as 2019.” Schwed Decl. ¶ 5.

<sup>41</sup> Schwed Decl. ¶¶ 5-7; see also Verizon Apr. 10 *Ex Parte* Attach. at 3 (citing Federal Trade Commission (FTC) data on fraud); *Verizon-TracFone Supplemental Compliance Report* at 2 (Verizon asserting that device fraud and trafficking is a large and growing problem for Verizon, the current unlocking requirement places a target on Verizon and its customers, and “Verizon loses hundreds of millions of dollars each year to bad actors exploiting Verizon’s unlocking policies.”); IUPA Comments at 1 (“Law enforcement professionals across the country are witnessing a disturbing trend: unlocked and untraceable phones are increasingly being exploited by criminal networks for illegal activities . . . .”); SLVLEA Comments at 1 (“Our region has seen a steady rise in the trafficking and misuse of unlocked phones. . . . This not only supports a thriving illicit economy, but it also makes lawful tracking and investigation of these devices exceedingly difficult.”); Virginia Beach PBA Comments at 1 (“In recent years, unlocked phones have increasingly become tools for facilitating crimes while simultaneously obstructing law enforcement’s ability to identify suspects, gather evidence, and pursue justice.”).

<sup>42</sup> Verizon Petition at 11 (stating that, in its postpaid segment, Verizon “continues to experience significant rates of [handset] fraud,” despite the protections provided by device financing plans); Verizon Reply at 4 (stating that “device fraud has permeated both the postpaid and prepaid segments of the wireless marketplace”); Verizon Apr. 10 *Ex Parte* Attach. at 5.

<sup>43</sup> See Verizon Petition at 11 (citing Schwed Decl. ¶¶ 6, 8); accord Verizon Reply at 4; Verizon July 31 *Ex Parte* at 2; *Verizon-TracFone Supplemental Compliance Report* at 3 (all describing categories of fraud that Verizon faces). Verizon reports that device fraud increased worldwide by 25% in 2024. See Verizon Petition at 10 (citing Verizon Apr. 10 *Ex Parte* Attach. at 3, 5). Given this evidence, we are unpersuaded by Double Perfect’s argument, based on a single unsupported assertion in an industry report, that the proportion of device fraud has remained steady in recent years. Double Perfect Comments at 5-6 (“[t]he GSMA’s February 2025 State of Affairs Report on Mobile Device states that over the last 10 years, the relative rate of device crime has remained unchanged at ‘around 1% of active subscribers’”) (quoting GSMA, Mobile Device Theft – State of Affairs Report at 5 (2025), <https://www.gsma.com/solutions-and-impact/industry-services/device-services/wp-content/uploads/2025/02/Tackling-device-theft-high-res-FINAL-18-feb-25.pdf> (GSMA Report))). We note that the GSMA Report acknowledges that device theft has become “more sophisticated over the last 10 years” with the “adoption and evolution of more sophisticated criminal activity” in that time frame. GSMA Report at 5.

<sup>44</sup> See, e.g., Verizon Communications Inc., Monitoring Compliance with Conditions Imposed in the Verizon-TracFone Transfer of Control Order, WT Docket No. 22-210, 9-12 (June 23, 2025) (reporting that the current unlocking policy has created a competitive disadvantage and heightened fraud risk for Verizon and that there are technical challenges with respect to unlocking devices in Verizon Value’s customer base); *Verizon-TracFone Supplemental Compliance Report* at 2-3.



policy of a one-year lock to Verizon's 60-day lock" mandated by the 2019 partial waiver.<sup>45</sup> In this market, handsets are significantly subsidized and no credit check is required, and Verizon has reported exploitation in handset unlocking where handsets have zero or very low usage and are resold on the black market.<sup>46</sup> Verizon details one recent prepaid iPhone scheme in the New York City area where 18,000 discounted iPhone 12, 13, and SE3 handsets were activated on \$30 plans with one monthly service payment, were not used, and were later found advertised for sale by handset resellers.<sup>47</sup>

16. Verizon reports that fraud has also increased in the postpaid market in recent years.<sup>48</sup> Verizon notes that the postpaid market offers expensive handsets that are available on credit and that are increasingly compatible with overseas networks, increasing opportunities for criminals to profit from fraudulently obtaining and trafficking these handsets.<sup>49</sup> In its postpaid market, Verizon states that it has seen criminal actors using stolen credentials to pass a credit check through identity theft or synthetic fraud, then default on the payments and resell the handset on the black market.<sup>50</sup>

17. The special circumstances of this case indicate that it is in the public interest to grant Verizon's waiver request because the 60-day unlocking period that Verizon is subject to is insufficient to deter the handset fraud that it is confronting.<sup>51</sup> Verizon states that it "has made extensive efforts to

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<sup>45</sup> Verizon July 31 *Ex Parte* at 1. Verizon asserts that its trafficked devices command "a premium of up to \$300 or more when sold on the dark web" and that "criminal enterprises profit from selling unlocked devices on the international black market—largely to users in countries such as Russia, China, and Cuba." *Id.* at 1-2. Verizon has explained that fraud it has experienced is often characterized by rapid service plan deactivations. *See* Verizon Petition at 11; *Verizon-TracFone* Supplemental Compliance Report at 3. Further, Verizon cites a Brattle Report to demonstrate that after TracFone reduced its unlocking period from 365 days to 60 days, there was "a sharp increase in the number of TracFone devices that [were] deactivated before making enough payments for Verizon to recover the handset subsidy." Verizon Petition at 12; Verizon Reply at 8-9 (stating that "Verizon has made extensive efforts to combat fraud, but even these efforts have been inadequate to stop the heightened fraud and abuse—and associated criminal activity—that Verizon and its customers face from bad actors"); *see also* Verizon NPRM Comments, Exh. A, Brattle Report at 6 (iOS deactivations after only zero to two payments increased by 55.4% in 2023 after TracFone's change from a one-year unlocking policy to a 60-day policy as a result of the 2021 Verizon-TracFone transaction). While RWA presents a number of explanations (other than fraud) that it contends could have given rise to the increased number of deactivations observed in the Brattle Report (e.g., customer relocations), RWA does not explain why any of these alternatives would be sharply more present after the Verizon-TracFone merger. *See* RWA Comments at 4. We thus find RWA's arguments unpersuasive.

<sup>46</sup> Verizon Apr. 10 *Ex Parte* Attach. at 5. In the prepaid segment, "[c]ustomers typically purchase the [handset] upfront, and carriers like Verizon often significantly discount the purchase price to lower the upfront costs to the customer, with the expectation that the customer will make use of the wireless service for a substantial period of time." Verizon Petition at 11. However, Verizon states that both an outside economic analysis and Verizon's internal data show "a sharp increase in customers purchasing devices and then rapidly leaving within the first few months of service." *Id.* at 12. Verizon asserts that, in the prepaid segment, "[f]raudsters and criminals are abusing the up-front discount by purchasing the devices with no intention of using the service, making the absolute minimum in service payments to get the phone unlocked, and then reselling the device for profit, typically in international black markets." *Id.* at 11.

<sup>47</sup> Verizon Apr. 10 *Ex Parte* Attach. at 7.

<sup>48</sup> Schwed Decl. ¶¶ 6, 10-11; Verizon Reply at 4-5 (describing Verizon's postpaid fraud losses); Verizon Apr. 10 *Ex Parte* Attach. at 5.

<sup>49</sup> Schwed Decl. ¶¶ 6, 10-11; Verizon Reply at 4-5 (describing Verizon's postpaid fraud losses).

<sup>50</sup> Verizon Apr. 10 *Ex Parte* Attach. at 5.

<sup>51</sup> Verizon Petition at 2; *id.* at 10 & n.34 (citing Comcast Corporation Comments, WT Docket 24-186, at 6-9 (filed Sept. 9, 2024) (Comcast NPRM Comments) ("[T]he 60-day period contemplated in the NPRM would not provide wireless providers sufficient opportunity to detect and curtail fraud before they are required to automatically unlock customers' handsets."); AT&T Services, Inc. Comments, WT Docket 24-186, at 36-40 (filed Sept. 9, 2024) (AT&T NPRM Comments) ("Mandated unlocking of not paid-for handsets after a mere 60 days will make it even harder to

(continued....)



combat such fraud, but [that] these efforts have been inadequate to stop the heightened fraud and abuse—and associated criminal activity—that Verizon and its customers face from bad actors.”<sup>52</sup> Several industry commenters have also explained that a 60-day period does not provide a sufficient opportunity to detect fraud before unlocking nearly new handsets that are either heavily subsidized or subject to handset financing plans.<sup>53</sup> For example, one provider has explained that it can take multiple billing cycles before it can detect whether someone is engaging in handset trafficking.<sup>54</sup> For heavily subsidized handsets, Verizon has explained that “[t]raffickers can simply purchase devices sold below cost, aggregate them, resell them (often outside the United States), and pocket the subsidy invested by the provider.”<sup>55</sup> For these reasons, we are unpersuaded by the arguments of Public Knowledge, RWA, and other commenters that the waiver should be denied in full because the Bureau has already considered Verizon’s fraud claims when it granted Verizon a 60-day waiver in 2019.<sup>56</sup> In light of the conditions set forth by the industry, and the evidence in the record, we find that the 60-day unlocking period has not been sufficient to deter handset fraud.

18. We similarly disagree with commenters who contend that Verizon has the tools necessary to combat fraud without the need for the requested waiver.<sup>57</sup> In particular, commenters raise a number of additional steps that they believe Verizon could take to address fraud in place of receiving a further waiver, including pursuing legal or contractual remedies against fraudulent actors, flagging suspicious purchases, denying unlocking when a device shows signs of trafficking, handset blocklisting/blacklisting,

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prevent handset trafficking by increasing the opportunities for bad actors to obtain nearly new unlocked handsets.”); T-Mobile USA, Inc. Comments, WT Docket 24-186, at 27-28 (filed Sept. 9, 2024) (T-Mobile NPRM Comments) (“T-Mobile anticipates that a 60-day unlocking rule would result in an increase in fraud by bad actors, trafficking in handsets on the black market, and a rise in identity theft activity.”)).

<sup>52</sup> Verizon Reply at 9; *see also* Verizon Petition at 11; *Verizon-TracFone* Supplemental Compliance Report at 1-3; Verizon Reply at 4-5 (citing Verizon NPRM Comments at 10-11; Schwed Decl. at 2-3). Verizon explains that it recently updated its TracFone unlocking policy to restrict the types of customer activities that qualify for unlocking in response to heavy losses it suffered in connection with an iPhone promotion in late 2024 and early 2025. *Verizon-TracFone* Supplemental Compliance Report at 2-3. Verizon contends that the recent changes were required in order to address an uptick in device theft and fraud. *Id.* Verizon asserts that prior to the change, “customers would obtain a heavily subsidized device, activate service for a month, and then promptly disconnect the device—and many of these devices would later show up on the black market.” We disagree with commenters that Verizon’s recent policy change violates the Bureau’s 2019 partial waiver order and find Verizon’s actions were warranted to address Verizon’s immediate losses. *See, e.g.,* Console Enterprises Comments at 5. Further, we agree with Verizon that the gaming or targeting of the handset unlocking policies make Verizon and its customers a target of bad actors, thus undermining Verizon’s ability to compete more aggressively to the benefit of legitimate consumers. We agree with Verizon that a waiver is both timely and necessary given the showing Verizon has made in the instant case.

<sup>53</sup> *See, e.g.,* AT&T NPRM Comments at 39 (claiming that 60 days is not enough to detect fraud especially when bad actors use stolen credit cards); NCTA Comments, WT Docket 24-186, at 10-14 (filed Sept. 9, 2024) (noting that a 60-day unlocking period “would enable traffickers to make a greater number of new U.S. originated handsets available and would quickly eliminate the unlocking costs that traffickers must incur, thus increasing the value of, and demand for, U.S.-originated handsets in the criminal markets”).

<sup>54</sup> *See* Comcast NPRM Comments at 8 (explaining that due to grace periods that Comcast offers, “an Xfinity Mobile customer’s first monthly payment is due 51 days after activation” (emphasis in original) which leaves little time after a first payment is due to determine whether fraud exists and the handset has been trafficked or it is a late payment by a legitimate customer).

<sup>55</sup> Declaration of David Seung-Joon Kim, Exh. B to Verizon NPRM Comments, at 2.

<sup>56</sup> *See, e.g.,* Public Knowledge Comments at 3, 9; RWA Comments at 4; Console Enterprises Comments at 6-7 (requesting that any waiver be limited to the prepaid market).

<sup>57</sup> Verizon Apr. 10 *Ex Parte* Attach. at 2 (noting that “[d]evice locking is one of the few effective tools to address trafficking and deter bad actors”).

handset bricking, and the implementation of additional “traditional anti-fraud measures.”<sup>58</sup> We find these views unconvincing. Record evidence indicates that Verizon already implements at least some of these measures,<sup>59</sup> and no commenter has provided detailed information establishing how these approaches would work, that they would significantly reduce Verizon’s fraud losses, or that Verizon does not already implement them. Given this lack of record evidence, we decline to impose specific new anti-fraud requirements on Verizon that would, as discussed further below, create regulatory asymmetries that could ultimately harm the public interest.

19. We also disagree with the views of Public Knowledge that Verizon’s waiver request should be denied since “fraud is not unique to carriers that unlock after 60 days” and that “[c]arriers with much longer locking periods, such as AT&T and T-Mobile, also report high rates of device fraud and trafficking.”<sup>60</sup> While fraud is not unique to Verizon, Verizon is unique in being the only nationwide operator required to unlock its handsets in 60 days. We note that the entities that Public Knowledge references have themselves claimed that a specific 60 day unlocking requirement is inadequate to address fraud.<sup>61</sup> Moreover, given the evolving and growing complexity of fraud actors, as detailed in the record, we find it prudent to allow Verizon to exercise its judgment to balance concerns about fraud to its business and its incentive to attract and retain customers.

20. Given the record, we disagree with RWA that there is a lack of evidence that handsets fraudulently obtained in the United States are shipped overseas or resold in domestic black markets.<sup>62</sup> Verizon explains that the globalization of 4G LTE and 5G technologies in recent years has created a ready overseas market for fraudulently obtained handsets, and stolen handsets are frequently sold or distributed to a secondary black market in countries that do not participate in GSMA blocking.<sup>63</sup> Similarly, we reject arguments that we should deny Verizon’s waiver request based on commenters’ views that other countries, primarily the United Kingdom and Canada, have implemented prohibitions against handset locking without experiencing meaningful increases in fraud.<sup>64</sup> This proceeding is focused

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<sup>58</sup> See, e.g., Public Knowledge Comments at 3; RWA Reply at 4; Double Perfect Reply at 4 (advocating for the use of “traditional anti-fraud measures” in place of modifying the current unlocking rule); Alexander Bryant Comments at 1 (describing International Mobile Equipment Identity (IMEI) blacklists); Tango Networks Comments at 2-6 (describing European market anti-fraud practices); Letter from Derek Khanna, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 24-186 et al., at 2 (filed Nov. 18, 2025) (Derek Khanna *Ex Parte*) (describing blacklisting and fraud-prevention systems). Handset bricking is when a handset is remotely made non-functional and unusable and handset manufacturers can use this technique to render a handset inoperable in the event of fraud. See, e.g., FCC, *Ten Steps to Smartphone Security*, [https://www.fcc.gov/sites/default/files/smartphone\\_master\\_document.pdf](https://www.fcc.gov/sites/default/files/smartphone_master_document.pdf) (last visited Jan. 12, 2026).

<sup>59</sup> See, e.g., Schwed Decl. ¶¶ 10-11 (describing Verizon’s participation in blocklists and certain shortcomings of this approach in combating fraud).

<sup>60</sup> Public Knowledge Comments at 3; see also Derek Khanna *Ex Parte* at 2 (opining that incentives for handset theft will persist regardless of the duration of a handset unlocking period).

<sup>61</sup> Verizon Petition at 2; *id.* at 10 & n.34 (citing Comcast NPRM Comments at 6-9; AT&T NPRM Comments at 36-40; T-Mobile NPRM Comments at 27-28).

<sup>62</sup> RWA Reply at 3.

<sup>63</sup> Schwed Decl. ¶¶ 6, 11; Verizon Apr. 10 *Ex Parte* Attach. at 3. GSMA blocking refers to the process where a handset’s unique IMEI number is added to a central block list, preventing the handset from being used on mobile networks worldwide, typically because the handset was reported lost or stolen. See Tango Networks Comments at 3.

<sup>64</sup> RWA Comments at 4; Public Knowledge Comments at 6; Pinal Patel Comments at 1; Letter from Carri Bennet, Outside General Counsel, Stephen Sharbaugh, Regulatory Counsel, RWA, Peter Gregory, Broadband Policy Fellow, Public Knowledge, Hooman Hedayati, Senior Strategic Research Associate for Telecommunications Policy, Communications Workers of America, Michael Calabrese, Director, Wireless Future Program & Senior Advisor,

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specifically on Verizon's waiver request and not on more general approaches that would apply to all mobile wireless service providers.

21. *Grant of Waiver is in the Public Interest.* We further find that a deviation from the 60-day unlocking period is in the public interest because it will benefit consumers and address significant and broader public safety issues that stem from Verizon's handset fraud losses. We agree that this waiver "will allow Verizon to continue offering subsidies and other mechanisms to make [handsets] more affordable, lower upfront costs, and enable customers to obtain the latest and most innovative [handsets]."<sup>65</sup> Granting this waiver also allows Verizon to save resources that it can reappropriate to the benefit of all consumers, especially low-income consumers who are more likely to purchase subsidized handsets.<sup>66</sup> As MMTC observes, the 60-day unlocking rule is particularly harmful to low-income communities that depend on service providers "compet[ing] aggressively for price-sensitive consumers through enhanced device subsidies and flexible financing options."<sup>67</sup> This waiver will also allow Verizon to provide offerings through distribution channels that it has been forced to "pull back from" because of fraud.<sup>68</sup> As a result, consumers will have more convenient and accessible ways to obtain handsets. We find that these benefits are in the public interest.<sup>69</sup>

22. This waiver will also address the concerns of numerous law enforcement associations and their advocates that filed in support of Verizon's request. They explain that unlocked handsets facilitate other broader and far-reaching forms of criminal enterprise, including identity theft and drug, weapons, and human trafficking.<sup>70</sup> These commenters also report that the pursuit of handset thieves has cost and risks law enforcement lives, and that identity theft associated with handset fraud requires consumer victims to spend hours addressing the consequences of identity theft.<sup>71</sup> Moreover, these commenters explain that law enforcement currently dedicates significant resources to investigating stolen handset crimes that may span jurisdictions and involve sophisticated criminal networks, rather than focusing on other public safety matters.<sup>72</sup> Further, a law enforcement association states that the handset unlocking rule that Verizon is subject to "has created a huge law-and-order problem" and that a waiver would

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New America's Open Technology Institute, to Marlene H. Dortch, Secretary, FCC, WT Docket No. 24-186, at 4 (filed July 18, 2025).

<sup>65</sup> Verizon Petition at 2.

<sup>66</sup> See, e.g., *id.* Given this record evidence, we disagree that there is limited public interest value in ensuring that Verizon can continue to offer handset subsidies and related promotions. See, e.g., Alexander Bryant Comments at 1. We similarly disagree that Verizon can easily continue offering handset promotions without regard to its unlocking period. See, e.g., Double Perfect Comments at 1-3.

<sup>67</sup> MMTC Comments at 3.

<sup>68</sup> Verizon July 31 *Ex Parte* at 2.

<sup>69</sup> We thus reject Double Perfect's view that these benefits are not justified in view of their associated costs. Double Perfect Comments at 5-7.

<sup>70</sup> See, e.g., Virginia Beach PBA Comments at 1; IUPA Comments at 1, 2; TPPA Comments at 1. Commenters have also noted that Verizon's unlocking requirement has "become a tool exploited by criminal elements engaged in identity theft, drug trafficking, and international phone smuggling operations." TPPA Comments at 1; see also OSBI Agents Association Comments at 2 (urging the Commission to grant Verizon's waiver and lock Verizon handsets to "close a significant loophole that currently enables criminal misuse"); Verizon Apr. 10 *Ex Parte* Attach. at 6; Department of Justice, *22 Locals Arrested in Multi-County Money Laundering and Narcotics Indictments* (Jan. 24, 2025), <https://www.justice.gov/usao-sdtx/pr/22-locals-arrested-multi-count-money-laundering-and-narcotics-indictments> (describing criminal organizations' leveraging of the cellular phone marketplace to further illegal drug trafficking operations).

<sup>71</sup> See, e.g., Leanne Simonsen Comments at 1.

<sup>72</sup> See, e.g., IACP Comments at 1; National Sheriffs' Association Comments at 1; Leanne Simonsen Comments at 1.

address this issue.<sup>73</sup> Verizon argues that granting the waiver would deter robberies of its stores which would better “protect [its] customers, employees, and the public.”<sup>74</sup>

23. We reject Public Knowledge’s argument that device fraud is “a law enforcement issue, not one that should be addressed by permanently locking phones or extending lock durations.”<sup>75</sup> As Verizon states, it is not seeking to permanently lock handsets.<sup>76</sup> Further, Verizon is asserting that it can reduce handset fraud by locking handsets for more than 60 days. We do not see a reason why we should deny the requested waiver simply because law enforcement has a role to play in fighting and reducing handset fraud. Law enforcement commenters have convincingly linked our handset unlocking policies and public safety matters on the basis that the current 60 day policy has impacted law enforcement lives<sup>77</sup> and requires that law enforcement entities dedicate significant resources to investigating stolen handsets rather than focus on other public safety matters.<sup>78</sup> We agree with these commenters that granting Verizon’s waiver request would appropriately balance consumer access and public safety needs.”<sup>79</sup>

24. We are also unpersuaded by the views of commenters who argue that Verizon is likely to implement onerous handset unlocking policies if the waiver request is granted.<sup>80</sup> Verizon emphasizes that it is not seeking to permanently lock handsets, and that consumers are always free to purchase handsets outright that do not come locked or pay off any remaining balance and have the handset unlocked.<sup>81</sup> For these reasons, we reject assertions that waiving the handset unlocking requirement will hurt the secondary handset marketplace or prevent customers from moving to another network if they so desire.<sup>82</sup>

25. With respect to the CTIA Consumer Code’s unlocking policies, Verizon has committed to comply with the same unlocking policies that other service providers abide by and, as Verizon points out, these are provisions of general applicability.<sup>83</sup> Other service providers who offer subsidized handsets

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<sup>73</sup> NYPD SBA Comments at 2.

<sup>74</sup> Verizon July 31 *Ex Parte* at 2.

<sup>75</sup> Public Knowledge Comments at 3.

<sup>76</sup> Verizon Reply at 9.

<sup>77</sup> *See, e.g.*, Leanne Simonsen Comments at 1.

<sup>78</sup> *See, e.g.*, IACP Comments at 1; National Sheriffs’ Association Comments at 1; Leanne Simonsen Comments at 1.

<sup>79</sup> *See, e.g.*, TPPA Comments at 2; OSBI Agents Association Comments at 2.

<sup>80</sup> *See, e.g.*, Public Knowledge Comments at 9, 3; Simon Nelson Comments at 1; Ryan Williams Comments at 1.

<sup>81</sup> Verizon Reply at 3, 9-11. With respect to concerns regarding dual-SIM card handsets, Verizon states that “any consumer can purchase an unlocked device on day one if they forego provider subsidies.” *Id.* at 3. Further, Verizon states “a customer that initially purchased a locked device may pay off the remaining balance to have it unlocked.” *Id.* at 10.

<sup>82</sup> *See* Public Knowledge Comments at 4-6, 9, 11.

<sup>83</sup> Verizon Petition at 4; Verizon Reply at 2, 9. In terms of prepaid handsets, the CTIA Consumer Code provides that service providers “upon request will unlock prepaid mobile wireless devices no later than one year after initial activation, consistent with reasonable time, payment or usage requirements.” CTIA Consumer Code, Section 12. For postpaid handsets, the CTIA Consumer Code provides that service providers “upon request will unlock mobile wireless devices or provide the necessary information to unlock devices for their customers and former customers in good standing and individual owners of eligible devices after the fulfillment of the applicable postpaid service contract, device financing plan, or payment of an applicable early termination fee.” *Id.* The CTIA Consumer Code also provides that “[w]ithin two business days after receiving a request, carriers will unlock eligible mobile wireless devices, or initiate a request to the OEM to unlock the eligible device, or provide an explanation of why the device does not qualify for unlocking, or why the carrier reasonably needs additional time to process the request.” *Id.*

abide by these same principles.<sup>84</sup> We are unpersuaded by Public Knowledge’s argument that Verizon’s voluntary commitment to the CTIA Unlocking Commitments does not sufficiently protect consumers, claiming that the policies are “vague, contain large carve-outs, and lack enforcement.”<sup>85</sup> We recognize that the unlocking principles set forth in the CTIA Code have been developed and retained in place over the course of many years as appropriately balancing industry’s need to minimize fraud losses with its incentive to attract and retain customers. We find that, in the context of evaluating this waiver request, they represent an adequate threshold of ensuring Verizon consumers have competitive options and that granting this waiver will not impede those competitive options. We thus decline to limit today’s waiver to a period of 180 days.<sup>86</sup> We see no reason why these principles will protect Verizon’s customers any less than other service providers’ customers. We expect Verizon to uphold its commitment to abide by these handset unlocking principles and ensure that its customers receive the full benefit of these requirements.<sup>87</sup>

26. We further find that granting this waiver is in the public interest because it addresses certain regulatory asymmetries that currently exist in the handset marketplace that impair competition among wireless service providers. With regard to the handset unlocking rules, Verizon will be on the same regulatory footing as the other nationwide mobile service providers who are not subject to a 60-day unlocking requirement for all of their handsets. For this reason, we reject arguments that granting this waiver would send a signal that service providers can evade our regulations<sup>88</sup> or that we should impose on Verizon approaches, such as GSMA blocking<sup>89</sup> and handset bricking,<sup>90</sup> that do not apply to other service providers.<sup>91</sup> Regulatory parity ensures better competition in the handset marketplace, which in turn benefits consumers with more competitive handset offerings. As Public Knowledge states, “[t]he Commission has long recognized that inconsistent unlocking policies can distort competition and harm consumers.”<sup>92</sup> NCTA, EchoStar, and RWA acknowledge that Verizon’s current unlocking requirements

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<sup>84</sup> See T-Mobile, Policies Consumer Code, <https://www.t-mobile.com/responsibility/consumer-info/policies/consumer-code> (last visited Jan. 12, 2026); AT&T, CTIA Consumer Code for Wireless Service, <https://www.att.com/support/article/wireless/KM1255524/> (last visited Jan. 12, 2026); see also CTIA Consumer Code Letter at 1 (identifying AT&T, T-Mobile, and Verizon Wireless, among other entities, as signatories to the CTIA Consumer Code).

<sup>85</sup> Public Knowledge Comments at 5.

<sup>86</sup> Console Enterprises Comments at 6-7 (advocating that any waiver be limited to 180 days); see also NCTA Dec. 3 *Ex Parte* at 1, 3; NCTA Dec. 5 *Ex Parte* at 2-3. We note that while AT&T has implemented a policy of unlocking handsets after 6 months of paid service for prepaid service plans, it can change this policy at any point as long such new policy complies with the CTIA Code, which the company has voluntarily agreed to follow similar to Verizon under this waiver request. AT&T Wireless, *Learn How to Unlock AT&T Phones or Devices, AT&T Prepaid*, <https://www.att.com/support/article/wireless/KM1008728> (last visited Jan. 12, 2026).

<sup>87</sup> We note that consumers may inform the Commission of handset unlocking compliance issues by contacting the Commission’s Consumer Inquiries and Complaints Center. See FCC, Consumer Inquiries and Complaints Center, *Phone Form—Descriptions of Complaint Issues*, Equipment, Issues with your phone and related equipment including device unlocking, <https://consumercomplaints.fcc.gov/hc/en-us/articles/360001201223-Phone-Form-Descriptions-of-Complaint-Issues> (last visited Jan. 12, 2026); see also Console Enterprises Comments at 5-6; Double Perfect Comments at 7; Matthew J Ratajczyk Comments at 1; Thomas Knoblauch Comments at 1; Pinal Patel Comments at 2; David Paolino Comments at 1.

<sup>88</sup> Public Knowledge Comments at 8; Dennis Bournique Comments at 1; Thomas Knoblauch Comments at 2; Hari Guhan Comments at 1; Matthew J Ratajczyk Comments at 1.

<sup>89</sup> See *infra* note 63 (describing GSMA blocking).

<sup>90</sup> See Tango Networks Comments at 3; *infra* note **Error! Bookmark not defined.** (describing handset bricking).

<sup>91</sup> See Tango Networks Comments at 2-6; Double Perfect Reply at 4; Alexander Bryant Comments at 1.

<sup>92</sup> Public Knowledge Comments at 8; see also Verizon Reply at 6.

create a distorted playing field that hampers Verizon's ability to compete.<sup>93</sup> This waiver will benefit consumers because it will lessen risks of marketplace distortion. As a result, Verizon will be able to subsidize handsets for legitimate customers in the same manner as other service providers by reducing the need to devote significant resources to fighting handset fraud.<sup>94</sup>

27. Some commenters claim that it would be inequitable to grant Verizon a waiver of this handset unlocking requirement because the company agreed to these requirements when it acquired this spectrum at a substantial financial discount at auction.<sup>95</sup> As noted by Verizon, it has been subject to the handset unlocking rule for the past 18 years.<sup>96</sup> This is a longer period of time than the initial license term for any entity who acquired a 700 MHz license at auction,<sup>97</sup> and we thus find that Verizon will not receive a "windfall" from the Commission if we grant this waiver.<sup>98</sup>

28. We also reject Console Enterprises' argument that we should limit this waiver to Verizon's prepaid handset market.<sup>99</sup> Verizon has presented evidence that fraud has increased in the postpaid market, as described above. Moreover, limiting the waiver to prepaid handsets would mean that Verizon would be subject to a 60-day unlocking requirement for handsets it sells on a postpaid basis, but other nationwide mobile service providers would not. This outcome would be the type of asymmetric regulation that we wish to avoid. Some commenters argue that rather than addressing Verizon's request, the Commission should instead issue an unlocking rule of general applicability.<sup>100</sup> We decline to address this request or other comments that raise issues outside the scope of Verizon's waiver request.<sup>101</sup>

<sup>93</sup> NCTA Comments at 3-4 (uniform unlocking requirements would promote a level playing field); EchoStar Comments at 2 (the Commission should move forward with a uniform industry-wide unlocking rule); RWA Comments at 2 (the Commission should adopt uniform, industry-wide handset unlocking rules that promote consumer choice and wireless competition); *see also* NCTA Dec. 3 *Ex Parte* at 1-3; Derek Khanna *Ex Parte* at 2.

<sup>94</sup> Verizon Apr. 10 *Ex Parte* at 1 (urging the Commission to quickly establish a level playing field in the industry that permits effective deterrence of device traffickers and fraudsters while still encouraging competition and device subsidies that benefit legitimate consumers); Verizon Sept. 30 *Ex Parte* at 1.

<sup>95</sup> *See, e.g.*, Public Knowledge Comments at 8; AT&T NPRM Comments at 33.

<sup>96</sup> *See, e.g.*, Verizon Reply, WT Docket 24-186, at 10-12 (filed Sept. 23, 2024).

<sup>97</sup> *See, e.g.*, FCC, *Auction 73: 700 MHz Band, Fact Sheet*, <https://www.fcc.gov/auction/73> (last visited Jan. 12, 2026) (initial license terms for winning bidders of 700 MHz spectrum expire no later than February 17, 2019); *700 MHz Second Report and Order*, 22 FCC Rcd at 15389, paras. 271-273 (2007) (describing initial license term durations).

<sup>98</sup> In adopting the section 27.16(e) handset unlocking rule, the Commission specifically noted that it would apply it in a more limited scope within the 700 MHz Band, noting that it could have "unanticipated drawbacks." *700 MHz Second Report and Order*, 22 FCC Rcd at 15364-65, para. 205.

<sup>99</sup> Console Enterprises Comments at 6.

<sup>100</sup> EchoStar Comments at 2-4; NCTA Comments at 1-4; RWA Comments at 1-4; Cloud Communications Alliance Comments at 1; Console Enterprises Comments at 7; Tango Networks Comments at 2; Public Knowledge Comments at 8-9; Pinal Patel Comments at 1; NCTA Reply at 2-3; RWA Reply at 2-3; Andrew Parker Reply at 1. Additionally, several individual commenters submitted express comments urging importance of a uniform unlocking policy and concerns relating to competition and consumer choice. *See, e.g.*, Alan Garcia Reply Comment; Lauren Abrahamsen Reply Comment; Lennart Luhtaru Reply Comment.

<sup>101</sup> *See, e.g.*, NCTA Comments at 4-5 (raising issues involving the Commission's number portability rules); RWA Comments at 3 (raising concerns that a waiver grant would result in waiver requests by other service providers); Console Enterprises Comments at 3-4, 6-7 (raising issues including "Big Tech," the exercise of government powers, rural America and net neutrality rules); 60 Plus Association Comments at 2; NYPD SBA Comments at 2 (both proposing the elimination of all C Block rules); State AGs Comments at 1 (arguing that the Commission lacks the statutory authority to impose unlocking requirements); Matthew J Ratajczyk Comments at 1 (discussing the availability of non-Verizon unlocked handsets to further criminal activity); Double Perfect Reply at 4, 10-12

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29. *Verizon-TracFone Merger Condition.* For the same reasons discussed above, we make clear that this waiver extends to Verizon’s 60-day unlocking requirement for TracFone devices activated on the Verizon network, as set forth in the *Verizon-TracFone Order*.<sup>102</sup> Verizon’s Petition requests a waiver of the unlocking commitment the Commission adopted as part of Verizon’s acquisition of TracFone.<sup>103</sup> Verizon’s current obligations with respect to TracFone devices extend directly from its obligations under 700 MHz C Block service rules, and we find no reason to differentiate for purposes of this waiver.

30. The *Verizon-TracFone Order* made clear that Verizon was obligated to “extend its 60-day unlocking policy to all 700 MHz C Block devices purchased from TracFone after closing and activated on the Verizon network” in order “[t]o comply with its 700 MHz C Block license obligations.”<sup>104</sup> The handset unlocking service rules applied because Verizon would be providing service to the newly acquired TracFone customers on Verizon’s 700 MHz C Block spectrum.<sup>105</sup> The commitments within the *Verizon-TracFone Order* addressed implementation of this handset unlocking obligation to existing and future TracFone customers (e.g., automatic versus manual unlocking, notice to customers).<sup>106</sup>

31. We find that it would be contrary to the public interest to waive only a portion of Verizon’s 700 MHz C Block unlocking requirements without addressing the fraud that Verizon has identified in TracFone’s prepaid service offerings.<sup>107</sup> We find that the approximate 55% increase in fraud that Verizon reported following the TracFone acquisition is significant and warrants urgent action on the part of the Bureau to allow Verizon the flexibility to address the fraudulent activities.<sup>108</sup> We disagree with RWA that the record demonstrates a mere business risk rather than fraud.<sup>109</sup> We also disagree with commenters like Public Knowledge that granting this waiver undermines the merger review process.<sup>110</sup> We note that during the merger review process, Verizon expressed concern that the C Block obligations

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(discussing Verizon & AT&T eSIM technology and different policy changes prior to a rulemaking); Public Knowledge Comments at 5, 12; Cloud Communications Alliance Comments at 1-2; Tango Networks Comments at 2 (all raising issues involving dual and multi SIM card handsets).

<sup>102</sup> *Verizon-TracFone Order*, 36 FCC Rcd at 16996, 17040-41, 17045, paras. 8, 123-25, 144.

<sup>103</sup> Verizon Petition at 1, 19.

<sup>104</sup> *Verizon-TracFone Order*, 36 FCC Rcd at 17045, para. 144; *id.* at 17039, para. 122 & n.363 (stating that “[t]he Applicants acknowledge that Verizon’s 700 MHz C Block license requirements prohibit C Block licensees—including Verizon—from ‘locking’ handsets that use 700 MHz C Block frequencies, or otherwise block or restrict customers’ use of applications on those devices”) (citing 47 CFR § 27.16(e); *700 MHz Second Report and Order*, 22 FCC Rcd at 15358-74, paras. 189-230 (2007)).

<sup>105</sup> As noted in the *Verizon-TracFone Order*, no commenters raised concerns with respect to handset unlocking during the course of the merger proceeding. *Verizon-TracFone Order*, 36 FCC Rcd at 17040, para. 124.

<sup>106</sup> *Id.* at 17045, para. 144.

<sup>107</sup> *Verizon-TracFone Supplemental Compliance Report* at 2-4; Verizon July 31 *Ex Parte* at 1-2.

<sup>108</sup> Verizon July 31 *Ex Parte* at 1-2.

<sup>109</sup> RWA Comments at 4.

<sup>110</sup> Public Knowledge Comments at 7 (stating that waivers are not a mechanism for policy change and are limited exceptions to be granted only when justified by unique circumstances). Additionally, we note that the Bureau’s waiver is consistent with precedent and the Bureau’s delegation of authority to make public interest determinations consistent with our authority. See *Applications of Liberty Latin America Ltd. and DISH Network Corporation For Consent To Assignment of Spectrum Licenses, Assets, and Customers of DISH Network Corporation to Liberty Latin America Ltd. in Puerto Rico and the U.S. Virgin Islands*, Memorandum Opinion and Order, 39 FCC Rcd 8772, 8791, para. 48 & n.159 (2024).



posed technical challenges and constraints for TracFone devices.<sup>111</sup> Verizon explained that TracFone offered devices with proprietary security features that prevent unauthorized unlocking to protect its investment in these devices and stem the risk of loss through fraud or arbitrage.<sup>112</sup> Verizon asserted that the 700 MHz C Block unlocking obligations posed a significant risk that opportunists would acquire heavily discounted devices and sell them or take them elsewhere, diverting subsidies intended to help customers obtain wireless service.<sup>113</sup> We find that a waiver is necessary in this unique case to stem fraud, particularly with the acquisition of TracFone prepaid customers, aimed at targeting the unlocking requirement.

32. *Prospective Application of the Waiver.* This waiver is effective upon release and, as requested by Verizon, will remain in effect until such time as the Commission decides on an appropriate industry-wide approach for the unlocking of handsets.<sup>114</sup> The terms of this waiver apply to all handsets that become active on Verizon's network beginning the day after the release date of this Order. The prospective application of this waiver will minimize customer confusion and interference with existing contractual arrangements and service agreements. Upon the release of this waiver, Verizon has stated that it will change its unlocking policies to follow those set out in the CTIA Consumer Code.

#### IV. ORDERING CLAUSES

33. Accordingly, IT IS ORDERED, pursuant to section 4(i) of the Communications Act of 1934, as amended, 47 U.S.C. § 154(i), and sections 0.131, 0.331, and 1.3 of the Commission's rules, 47 CFR §§ 0.131, 0.331, 1.3, that the Verizon Request for Waiver IS GRANTED to the extent indicated herein.

34. IT IS FURTHER ORDERED that this Order IS EFFECTIVE upon release and will remain in effect until such time as the Commission decides on an appropriate industry-wide approach for the unlocking of handsets.

FEDERAL COMMUNICATIONS COMMISSION

Joel Taubenblatt  
Chief, Wireless Telecommunications Bureau

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<sup>111</sup> Response to Information and Document Request by Verizon, GN Docket 21-112, at 58-59 (May 14, 2021).

<sup>112</sup> Verizon Nov. 3, 2021 *Ex Parte* at 2.

<sup>113</sup> *Id.* at 3.

<sup>114</sup> Verizon Petition at 19 (requesting "a waiver of section 27.16(e) and the unlocking commitment that the Commission adopted as a condition in approving Verizon's acquisition of TracFone until such time as the Commission decides on an appropriate industry-wide approach for the unlocking of wireless devices.").