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For Immediate Release

**FCC REACHES AGREEMENT WITH TRACFONE
TO UNLOCK MOBILE PHONES & PROVIDE OTHER CONSUMER BENEFITS**
Settlement Brings Benefits to Millions of Consumers

WASHINGTON, July 1, 2015 – The Federal Communications Commission’s Enforcement Bureau has reached a settlement with TracFone Wireless, Inc. to provide unlocking of TracFone handsets to millions of American consumers. The Bureau’s investigation found that TracFone violated agency rules by improperly certifying that it would unlock phones for its customers enrolled in the FCC’s Lifeline program. To settle this violation, the company has agreed to transition all its phones to be unlockable, thus allowing both Lifeline and non-Lifeline customers the freedom to choose to use their devices on other networks.

In the interim, while TracFone is transitioning to unlockable phones, eligible TracFone customers will be entitled to other benefits under the settlement. Eligible customers can contact the company to receive a new unlocked handset, credit for a handset upgrade, or a partial cash refund in exchange for their locked handset.

“Unlocking of cell phones has been widely embraced by the wireless industry and by consumers across the country,” said Travis LeBlanc, Chief of the Enforcement Bureau. “Today’s agreement ensures that millions of eligible TracFone customers will be able to use their phones on any compatible network they choose.”

The Bureau’s investigation found that TracFone repeatedly certified in official agency filings that it would abide by a wireless industry code of conduct, which went into effect on February 11, 2015, and required handset unlocking for the company’s customers enrolled in the FCC’s Lifeline program, but failed to live up to that commitment. Under this settlement, TracFone agreed to provide remedies for consumers with locked phones and put in place plans to market only handsets that are capable of being unlocked by all its consumers, including both customers enrolled in the FCC’s Lifeline program and those not enrolled in the program. The Enforcement Bureau worked closely with the FCC’s Wireless Bureau on this effort.

The Bureau estimates that at least 8 million TracFone customers could benefit from the settlement. With an average benefit of \$10 per handset, the value of this settlement to consumers is expected to be in the range of \$80 million. In addition, the company will provide a projected offset of \$3.2 million to the Lifeline program tied to how quickly its unlocking program becomes active. Handsets are considered to be “locked” if they contain software that prevents them from being used on other networks.

As part of the settlement agreement, TracFone has committed to the following requirements:

- By September 1, 2015, TracFone will provide clear notifications to its customers about its handset unlocking policy. All eligible consumers will get at least one text message telling them that they are eligible, and consumers can go to the TracFone website to determine eligibility, request pre-paid mailers for trade-in of locked phones, and obtain other relevant information.
- By September 1, 2015, eligible non-Lifeline TracFone customers can trade in their old device for a cash refund of the trade-in-value of the handset.
- By May 1, 2016, as TracFone begins to launch handsets capable of being unlocked, eligible non-Lifeline TracFone customers can trade in their old device for an upgrade credit toward a new, unlockable handset. (Customers can trade in their locked handset for either a cash refund or an upgrade credit – not both.)
- By May 1, 2016, TracFone must provide new Lifeline customers with phones capable of being unlocked. Existing, eligible Lifeline customers may request a replacement unlocked handset. Beginning in October 2015, TracFone will provide a \$400,000 per month offset to the Universal Service Fund until it provides unlockable handsets to new Lifeline customers. This is expected to total \$3.2 million.
- By December 31, 2016, all phones launched by TracFone must be capable of being unlocked.
- Refunds, upgrade credits and replacement handsets will be available under the program through at least June 2018.

Consumers are generally eligible if they:

- Are a TracFone customer, including any of its brands operating in the U.S.: TracFone, Straight Talk, Net10 Wireless, SafeLink Wireless, Telcel America, Simple Mobile, and Page Plus Cellular.
- Request handset unlocking from TracFone.
- Use the locked device with TracFone's service for at least 12 months and redeem cards for airtime usage on the TracFone network for at least 12 months.
- Possess a TracFone handset in working condition that has not been reported stolen, lost, or associated with fraud, and not have their telephone number recycled or ported.
- Meet certain timing requirements. For non-Lifeline customers, the handset must have been launched on TracFone's service after February 11, 2014, or activated with TracFone's service after February 11, 2015. For Lifeline customers, only the original approved customer is eligible and the customer must have activated on TracFone's service after February 11, 2014.
- Customers in the military who are actively deployed do not need to meet the service activation and air card redemption eligibility requirements.
- Customers are eligible for the program only once every 12 months.

TracFone customers who would like to request unlocking of their phone, find out more about the agreement, eligibility requirements or benefits under the program should contact TracFone at: 1-888-442-5102.

Customers can also visit the FCC website or email tracfoneunlocking@fcc.gov for further information. Customers are advised that any inquiries received by the FCC at this email address will likely be forwarded to TracFone for resolution.

For more information on unlocked cellular phones, visit:
<https://www.fcc.gov/device-unlocking-faq>

The Order and Consent Decree for this settlement can be found here:
https://apps.fcc.gov/edocs_public/attachmatch/DA-15-696A1.pdf

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