

Media Contact:

Will Wiquist
will.wiquist@fcc.gov

For Immediate Release

**FCC GRANTS APPROVAL OF VERIZON-TRACFONE TRANSACTION
SUBJECT TO CONDITIONS TO PROTECT CONSUMERS**

WASHINGTON, November 22, 2021—The Federal Communications Commission has voted to approve—with strong consumer protection conditions—the transfer of control of TracFone Wireless from América Móvil to Verizon Communications. After rigorous review, the Commission found that the transaction, as modified by Verizon’s enforceable commitments, will make Verizon and TracFone stronger providers of prepaid and Lifeline services.

Given the communities that TracFone primarily serves within the U.S., the Commission adopted a number of binding conditions to address potential harms and to ensure the transaction will be in the public interest. These conditions include strong parameters to:

- Protect low-income consumers from price increases;
- Ensure that TracFone remains a supportive Lifeline participant;
- Guarantee the availability of affordable 5G devices and service offerings to underserved consumers;
- Maintain the existing packages of TracFone subscribers;
- Market and provide customer services for Lifeline and prepaid customers, including non-English speaking customers; and
- Make sure that customers are not left behind by the transition onto Verizon’s network.

The Commission also adopted strong, independent mechanisms for enforcing these conditions and ensuring that the transaction does not harm low-income or other consumers. These enforcement mechanisms include both an internal and an independent compliance officer who are empowered to proactively monitor conditions, ensure that low-income consumers are not being harmed, and facilitate consumer complaints about potential violations. Given the likelihood that any violation of these conditions could harm low-income consumers, today’s Order also requires regular public reporting and more than seven years of oversight.

Specifically, as described more fully in the order, Verizon must:

- Offer TracFone’s Lifeline-supported services over the same service areas for at least seven years;
- Offer a free, compatible device or SIM in certain circumstances where Lifeline customers are being required to transition to Verizon’s network;
- Continue to offer and advertise existing Lifeline plans, with no added co-pays to TracFone’s existing Lifeline plans offered at no cost to prepaid customers for at least three years;
- Make available to existing and new Lifeline prepaid customers a 5G plan and offer a range of cost-effective 5G devices to existing and new Lifeline customers;
- Maintain a specified level of marketing and advertising expenditures for Lifeline

- Establish and maintain a dedicated website with information about the Lifeline program and a dedicated customer service line for Lifeline customers;
- Maintain TracFone's existing MVNO agreements to serve customers outside Verizon's network coverage (including Puerto Rico, and maintain existing TracFone rate plans for new and existing customers for three years;
- Maintain an exclusive, toll-free customer service line for customer transition;
- Conduct outreach, advertise, and display all plans on a dedicated website;
- Notify customers at least twice before they are transitioned to Verizon's network;
- Offer a free, compatible device or SIM in certain circumstances where Lifeline customers are being required to transition to Verizon's network;
- Extend its 60-day unlocking period to all 700 MHz C Block devices purchased from TracFone after closing and activated on the Verizon network;
- Provide notice to affected TracFone customers of its unlocking policy;
- Provide MVNOs that have current contracts with Verizon an option to extend, subject to certain limitations specified in the order, their existing MVNO wholesale agreements, on the same terms and conditions, on a month-to-month basis until three years after the transaction closes;
- Submit publicly available semi-annual reports describing its compliance that includes information regarding Lifeline and non-Lifeline customers for seven years;
- Pay for and retain both an internal company compliance officer and an independent compliance officer to ensure compliance with these commitments for seven and a half years; and
- Assume liability for forfeitures, restitution, or other obligations that may be imposed by the Commission or the Universal Service Administrative Company (USAC) on TracFone. In addition, Verizon will comply with any agreements with the Commission or USAC, including following any compliance plans, or other obligations, agreed to by TracFone, its subsidiaries, or any successors or assigns.

###

Media Relations: (202) 418-0500 / ASL: (844) 432-2275 / Twitter: @FCC / www.fcc.gov

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).