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August 11, 2021

VIA ELECTRONIC FILING

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

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

Dear Ms. Dortch:

Approval of the pending application for Verizon to acquire TracFone will benefit value-conscious prepaid consumers and serve the public interest. Verizon recognizes, however, that some stakeholders have expressed concern about certain aspects of the transaction, in particular its impact on TracFone's Lifeline offerings and the introduction of 5G services and devices in the prepaid segment. Verizon has engaged in discussions with those stakeholders and has agreed to the following commitments to address their concerns:

- 1. **Lifeline Service.** Verizon commits to continuing to offer TracFone's current Lifelinesupported 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 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

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> 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 Lifelinesupported 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.

These commitments are designed to address issues in the FCC proceeding, and are not intended to alter any commitments made in other proceedings (including, for example, state public utility commission reviews of the transaction).

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Respectfully submitted,

Millie H. pla

William H. Johnson Senior Vice President, Verizon