

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, DC 20554**

In the Matter of )  
)  
**América Móvil, S.A.B. de C.V.**, Transferor, )  
)  
and )  
) **IB File No. ITC-T/C-20200930-00173**  
**Verizon Communications Inc.**, Transferee, )  
)  
Application for Consent to Transfer Control of )  
TracFone Wireless, Inc. Pursuant to Section 214 of )  
the Communications Act of 1934, as Amended )  
)

**OPPOSITION TO PETITION FOR STREAMLINING AND  
MOTION TO DISMISS APPLICATION AS INCOMPLETE  
OF PUBLIC KNOWLEDGE,  
OPEN TECHNOLOGY INSTITUTE,  
AND THE  
BENTON INSTITUTE FOR BROADBAND AND SOCIETY**

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**I. INTRODUCTION AND SUMMARY**

On September 30, 2020, the International Bureau received the above-referenced Application and request for streamlining. Notably absent from the Application was any substantive discussion of TracFone’s status as an Eligible Telecommunications Carrier (“ETC”) administered by the Commission, in addition to TracFone’s state ETC certifications. To the contrary, the Application states that, at some undetermined time after the approval of the Section 214, “Verizon will seek to transfer TracFone’s Eligible Telecommunications Carrier (ETC) designation for Lifeline.”<sup>1</sup> Because all wireless ETC certifications must be approved prior to (or

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<sup>1</sup> Application for Consent to Transfer Control of International Section 214 Authorization, File No. ITC-T/C-20200930-00173, at 18 (filed Sept. 30, 2020) (the “Application”).

simultaneous with) Section 214 transfers, the Commission cannot grant the request for streamlining.<sup>2</sup>

In addition, the Application does not comply with Section 63.18(e)(3) of the Commission's Rules, which requires an applicant to provide "a description of the facilities and services for which it seeks authorization" for those services not covered in 63.18(e)(1) (global facilities based authority) and 63.18(e)(2) (global resale authority).<sup>3</sup> The disclosure must include "any additional information the Commission shall have specified previously in an order, public notice or other official action as necessary for authorization."<sup>4</sup> The Application violates 63.18(e)(3) because it does not include Tracfone's federal ETC designation, which is a "service" for which the applicant seeks authorization.<sup>5</sup>

Furthermore, for reasons of policy, the Commission should require Verizon to submit its ETC certification plan before accepting the Application for filing. TracFone is the largest provider of wireless Lifeline service. The question of protecting Lifeline subscribers from possible harms, and securing for them the benefits promised by Verizon in the Application, should be central concerns to the Commission in considering whether the Application serves the public interest, convenience, and necessity. Verizon should not be allowed to apply for Commission approvals *seriatim*, leveraging streamlined transfers for one set of Commission approvals against those requiring more searching inquiry. As the Commission stressed when it

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<sup>2</sup> *Wireline Competition Bureau Reminds Carriers of Eligible Telecommunications Carrier Designation and Compliance Plan Approval Requirements for Receipt of Federal Lifeline Universal Service Support*, Public Notice, 29 FCC Rcd 9144 (WCB 2014).

<sup>3</sup> 47 C.F.R. § 63.18(e)(3).

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*; see *Federal-State Joint Board on Universal Service, TracFone Wireless, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the State of New York et al.*, Order, 23 FCC Rcd 6206 (2008) (designating TracFone as an ETC for Lifeline support in New York, Virginia, Connecticut, Massachusetts, Alabama, North Carolina, Tennessee, Delaware, New Hampshire, Pennsylvania, and the District of Columbia).

adopted the streamlined international 214 transfer procedures, streamlining is not meant to change the general public interest standard applicable to all Section 214 transfers. Rather, it is meant to ease the burden on both applicants and Commission staff for routine applications that genuinely raise no public interest concerns.<sup>6</sup> The acquisition of the largest wireless Lifeline provider, which is also the largest mobile virtual network operator (“MVNO”), by the largest facilities-based mobile carrier hardly qualifies as “routine.” This is especially true here, where Verizon has generally avoided participation in Lifeline and the pre-paid market. Whatever Verizon’s business intentions at the moment, the Commission must consider what safeguards may be necessary to protect Lifeline and other low-income subscribers should Verizon decide to abandon its attempt to enter into the pre-paid market.

Other reasons exist to deny streamlined treatment. As noted by T-Mobile, this transaction creates a fundamental change in the structure of the industry by eliminating the last substantial MVNO. Following this transaction, all significant MVNOs will be integrated with a national facilities-based provider (or would-be facilities-based provider).<sup>7</sup> The Commission must carefully study the implications of this significant change. Furthermore the affiliation of TracFone with America Movil both violates the plain language of the Commission’s rules<sup>8</sup> and gives rise to potential competitive (and national security) concerns. Finally, Public Knowledge (PK), *et al.* notes that TracFone, as part of its acquisition of Page Plus Cellular, acknowledged in

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<sup>6</sup> See *1998 Biennial Regulatory Review*, Report and Order, 14 FCC Rcd. 4909, ¶ 25 (1999) (“1998 Order”).

<sup>7</sup> See Letter from Kathleen Ham, Senior Vice President, T-Mobile, to Marlene S. Dortch, Secretary, FCC, IBFS File No. ITC-T/C-20200930-00173 (filed Oct. 13, 2020).

<sup>8</sup> 47 C.F.R. § 63.12(c)(1) (prohibiting streamlined treatment where one of the Applicants is affiliated with a dominant foreign carrier). American Movil has been designated a dominant carrier by Mexico. See *Resolution*, Federal Institute of Telecommunications, (Mar 6, 2014), <https://bit.ly/33OQKa5> (the official term in Spanish is an “agente económico preponderante,” which can be measured by number of subscribers, traffic, or capacity of the network).

2013 that it holds a domestic 214 license.<sup>9</sup> Applicants should be required to account for this domestic 214 license. If TracFone still holds this domestic 214 license, the Commission should require Applicants to amend the Application before accepting the Application as complete.

## ARGUMENT

### II. STANDARD OF REVIEW

The standard of review for any license transfer requires the Commission to evaluate: (1) whether the transaction complies with the Communications Act and any other applicable statutory provisions; (2) whether the transaction complies with the Commission’s rules; (3) whether the transaction could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes; and (4) whether the transaction will yield affirmative public interest benefits.<sup>10</sup> As Applicants concede, even when considering transfer of an international 214 license, this includes consideration of all domestic benefits—and harms.

PK, *et al.* stresses that it is far too early to judge the merits of this transaction. However, in previous license transfers involving significant Lifeline participants, the Commission has imposed conditions to protect Lifeline and other low-income subscribers to ensure they receive

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<sup>9</sup> *Application for Consent to Assignment of Customer Base and Related Assets of an Authorized Domestic Section 214 Carrier*, TracFone Wireless, Inc., WC Docket No. 13-138, at 2 (2013), <https://bit.ly/3ITJMaa> (“Upon grant of this Application and consummation of the proposed transaction, TracFone will relinquish the domestic Section 214 authority previously held by Page Plus and will provide service to the acquired customers pursuant to its own domestic Section 214 authorization.”); *Domestic 214 Application Granted for the Acquisition of Assets of Start Wireless Group, Inc. d/b/a Page Plus Cellular by TracFone Wireless, Inc.*, Public Notice, 29 FCC Rcd. 93 (WCB 2014).

<sup>10</sup> Application at 10 (citing *XO-Verizon Order*, 31 FCC Rcd at 12504-05, ¶ 7; *Frontier-Verizon Order*, 25 FCC Rcd at 5976-77, ¶ 9; *Qwest Communications Int’l Inc. and CenturyTel, Inc. d/b/a CenturyLink*, Memorandum Opinion and Order, 26 FCC Rcd 4194, 4198-99, ¶ 7 (2011); *SBC-AT&T Order*, 20 FCC Rcd at 18300-01, ¶ 16; *OnePoint Communications Corp. and Verizon Communications*, Memorandum Opinion and Order, 15 FCC Rcd 24165, 24167 ¶ 4 (CCB 2000)).

the promised benefits.<sup>11</sup> Additionally, the Commission has an obligation to fully understand the potential impact on the market before it can determine whether the transfer will serve the public interest. Importantly, unlike in antitrust, it is the Applicants that bear the burden of proof.<sup>12</sup>

Additionally, the Commission license-transfer process is designed to permit all interested stakeholders to challenge the claims of the Applicants and to raise concerns that the Commission might otherwise overlook.<sup>13</sup> In creating the streamlining process, the Commission emphasized the need for staff to carefully screen the streamlining process to prevent applications that raise questions from being approved without searching review.<sup>14</sup>

### **III. THE COMMISSION SHOULD NOT GRANT THE TRANSFER UNTIL AFTER IT REVIEWS ALL ISSUES RELATED TO LIFELINE.**

The Commission’s rules prohibit the Commission from *granting* a license transfer until the Commission has approved the applicant’s ETC compliance plan. To be eligible for streamlined treatment, the application must be grantable 14 days after the Commission issues a

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<sup>11</sup> See, e.g., *Applications of Cricket License Company, LLC, et al., Leap Wireless International, Inc., and AT&T Inc. for Consent To Transfer Control of Authorizations*, Memorandum Opinion and Order, 29 FCC Rcd. 2735, ¶ 3 (2014) (“AT&T/Cricket”).

<sup>12</sup> *China Mobile International (USA) Inc. Application for Global Facilities-Based and Global Resale International Telecommunications Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended*, Memorandum Opinion and Order, 34 FCC Rcd 3361, ¶ 11 (2019) (“the applicant for an international Section 214 authorization...bears the burden of demonstrating that grant of its application would serve the public interest in accordance with Section 63.18 of the Commission’s rules”); see also 47 U.S.C. § 214(a) (“No carrier shall undertake the construction of a new line or of an extension of any line, or shall acquire or operate any line, or extension thereof, or shall engage in transmission over or by means of such additional or extended line, unless and until there shall first have been obtained from the Commission a certificate that the present or future public convenience and necessity require or will require the construction, or operation, or construction and operation, of such additional or extended line. . .”).

<sup>13</sup> See 47 U.S.C. § 214.

<sup>14</sup> See 1998 Order ¶ 25; see also *Domestic Section 214 Application Filed for the Transfer of Control of TerraCom, Inc., to Global Reconnect Inc., Non-Streamlined Pleading Cycle Established*, Public Notice, 31 FCC Rcd 9525 (WCB 2016) (rejecting streamlining for the Terracom-Global Reconnect transfer “[b]ecause this transaction is more complex than usual” and “in order to analyze whether the proposed transaction would serve the public interest”) (“Terracom Streamlining Denial”).

public notice accepting the application for streamlined treatment.<sup>15</sup> If an application cannot be granted within 14 days, staff should not grant the application for streamlining, or staff should remove the application for streamlined treatment before the end of the 14 day window.<sup>16</sup> Verizon has not even filed its ETC plan, let alone received approval from the Commission. It therefore follows that staff should either reject the Application as deficient, or decline to grant streamlined treatment.<sup>17</sup>

The ETC compliance plan is of particular importance here in light of the recent Notice of Apparent Liability issued by the Commission against TracFone,<sup>18</sup> and because of Verizon's own admitted inexperience with operating a low-cost wireless provider.<sup>19</sup> As the Commission is well aware, compliance with the ETC safeguards is not simply a matter of character. The Commission must be satisfied that the ETC fully understands the nature of the Lifeline program, that it has capacity to comply, that it has trained staff thoroughly in compliance, and that it has structural safeguards in place to detect non-compliance and report any non-compliance to the Commission. A merger—particularly one on this scale, priced at nearly \$7 billion<sup>20</sup>—is an inherently chaotic process, even for experienced companies such as Verizon and TracFone. Approval of the ETC certification is essential to making sure that compliance will not fall through the cracks, allowing TracFone to revert to its prior behavior.

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<sup>15</sup> 47 C.F.R. § 63.12(a).

<sup>16</sup> *Id.* § 63.12(c)(3).

<sup>17</sup> *See* Terracom Streamlining Denial.

<sup>18</sup> *TracFone Wireless, Inc.*, Notice of Apparent Liability for Forfeiture and Order, 35 FCC Rcd 3459 (2020).

<sup>19</sup> Application at 4.

<sup>20</sup> *Id.* at 9.

But submission and approval of the compliance plan are not enough to resolve the very real concerns to Lifeline recipients and other low-income subscribers affected by the transaction. As Applicants note, an important part of the standard of review is whether the transaction will harm the public interest by harming either the goals or the implementation of the Communications Act. Assuring universal, affordable access to all Americans is the first and most important purpose listed in Section 1 of the Communications Act.<sup>21</sup> The Lifeline program is one of the most important statutory tools Congress required the Commission to use to achieve this goal.<sup>22</sup> The Commission cannot simply trust Verizon—which by its own admission has little experience in marketing or running a low-cost pre-paid Lifeline business—on the basis of the few vague and unenforceable promises in the Application.

For example, Verizon promises in the Application that it “will not require any TracFone customers to move to a more expensive plan when the transaction closes.”<sup>23</sup> Even accepting this at face value, it promises nothing for *after* the transaction closes. Similarly, Verizon promises to make available to TracFone customers its 5G network and wealth of new devices.<sup>24</sup> But Verizon does not explicitly include Lifeline subscribers in this promise. Verizon could well decide for business reasons to limit availability of 5G or new devices to non-Lifeline customers to discourage participation in the program. Alternatively, Verizon could—even consistent with its promise not to force any of its customers into more expensive plans—withhold these promised benefits from low-cost plans whether or not they participate in Lifeline. This sort of market segmentation is routine in the business world. At present, because TracFone’s entire business

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<sup>21</sup> 47 U.S.C. § 151.

<sup>22</sup> See 47 U.S.C. § 254.

<sup>23</sup> Application at 3.

<sup>24</sup> *Id.* at 11-12.

model is structured around low-income, price sensitive customers, it has incentive to make the maximum variety of equipment and services available to its customers. Once TracFone becomes part of Verizon, however, Verizon will have the incentive to limit low-cost customers to “no frills economy” plans while reserving the “first class” devices and services for those willing to pay more.

In *AT&T/Cricket*, which Verizon cites in the Application as relevant precedent, the Commission took these concerns seriously. It required AT&T to submit multiple supplements to provide information on its transition plans for Lifeline customers.<sup>25</sup> Even after AT&T provided far greater detail than Verizon has, the Commission found the level of detail and the commitments insufficient and imposed additional conditions to protect Lifeline subscribers. It required AT&T as a condition of the acquisition to make its LTE network available on equal terms to Cricket’s pre-paid and Lifeline customers.<sup>26</sup> It also required AT&T to maintain Cricket’s ETC certification post-transaction and to offer an “equipment trade in credit” to make access to its LTE network affordable to Lifeline and other low-income customers.<sup>27</sup>

The current transaction raises far more significant concerns than *AT&T/Cricket*. As noted above, TracFone is the single largest provider of wireless Lifeline service, with 1.7 Million Lifeline customers. TracFone’s entire business plan is oriented to low-income customers. It has strong incentive to market Lifeline benefits to eligible households and to make the maximum number of devices and plans affordable for low-income subscribers. For Verizon, however, this transaction is about expanding into a new market, while not cannibalizing its post-paid business. It will have incentive to move customers from pre-paid to the more lucrative post-paid. Without

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<sup>25</sup> See *AT&T/Cricket*, ¶¶ 110-16.

<sup>26</sup> See *id.* ¶¶ 168-71.

<sup>27</sup> See *id.* ¶¶ 172-77.

a thorough examination of Verizon’s business strategy and commitment of resources to Lifeline—which requires a standard rather than streamlined application-review process—the Commission cannot determine whether the transfer will produce the benefits Verizon claims or will eliminate a vital Lifeline participant.

Furthermore, even if Verizon’s representations are taken at face value, the Commission cannot accept the risk to Lifeline and low-income subscribers that Verizon may once again change business plans. No one doubts Verizon was serious about entering the streaming video market when it announced Go90 in 2015, but that did not prevent Verizon from needing to shutter the business a mere three years later.<sup>28</sup> While such failures are not generally a cause for FCC concern, the consequences of a failure of the largest wireless Lifeline provider (and largest low-cost carrier) are far more serious for society than the failure of a would-be competing streaming service. As the name of the program implies, the Lifeline program literally saves people’s lives by providing access to 911 and WEA to those who otherwise could not afford it. To paraphrase the Commission’s rejection of the request by Terracom for streamlined review under Section 214: “Because this transaction is more complex than usual, in order to analyze whether the transaction would serve the public interest, this application [should] not be streamlined.”<sup>29</sup>

#### **IV. THE TRANSACTION RAISES SIGNIFICANT COMPETITIVE CONCERNS FOR THE MOBILE MARKET.**

As noted by T-Mobile, this transaction also raises significant competition concerns that the Commission may only address on a full record, with opportunity for all stakeholders to challenge the transaction and make their case. Again, PK, *et al.* do not at this time take a position

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<sup>28</sup> Nick Statt, *Verizon is shutting down its original video app Go90*, THE VERGE (June 28, 2018), <https://bit.ly/2Iv9e7g>.

<sup>29</sup> Terracom Streamlining Denial at 2-3.

on the competitive impact. It may be that competitive concerns are of such significance that no conditions will cure them, or it may be that Verizon will adequately address these concerns in a full, on the record proceeding. Or it may be that the competitive harms may be remedied with appropriate conditions. Only two things can be said for certain at this time: (1) the burden of proving that the transfer serves the public interest lies with Applicants; and (2) the Commission cannot satisfy its obligation to ensure that the transfer serves the public convenience and necessity as required by Section 214(c) if it streamlines the Application.

Competition is the cornerstone of a healthy wireless market, and a thorough review here ensures that the Transaction will serve the “public interest, convenience, and necessity.”<sup>30</sup> The review process exists to investigate and prevent “potential competitive concerns when the post-transaction entity has the incentive and the ability, either by itself or in coordination with other service providers, to raise prices, lower quality, or otherwise harm competition in a relevant market.”<sup>31</sup>

Purchasing TracFone could give Verizon the incentive and ability to inflict these harms. MVNOs like TracFone help “increase the range of differentiated services offered to consumers within the broader mobile telephony/broadband services product market,” and acquire capacity that allows them to “compete downstream against facilities-based service providers’ service offerings.”<sup>32</sup> In other words, MVNOs “provide additional constraints against any anticompetitive

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<sup>30</sup> 47 C.F.R. § 63.18.

<sup>31</sup> See *Applications of SOFTBANK CORP., Starburst II, Inc., Sprint Nextel Corporation, and Clearwire Corporation For Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, Declaratory Ruling, and Order on Reconsideration, 28 FCC Rcd. 9642, ¶ 34 (2013).

<sup>32</sup> *Applications of T-Mobile US, Inc., and Sprint Corporation For Consent To Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, Declaratory Ruling, and Order of Proposed Modification, 34 FCC Rcd. 10578, ¶ 63 and n.196, 78 (Oct. 16, 2019) (“T-Mobile-Sprint Merger Order”).

behavior.”<sup>33</sup> Verizon and TracFone are the largest facilities-based mobile wireless service provider and the largest MVNO in the country, respectively.<sup>34</sup> Verizon controls around 40% of the mobile wireless services market.<sup>35</sup> Likewise, TracFone has the fourth largest subscribership of wireless services in the United States.<sup>36</sup> The Commission should analyze the changes in competitive dynamics that would arise under a combination of these companies.

This Transaction threatens other horizontal injuries. Verizon already commands a prepaid presence through Verizon Prepaid and Visible.<sup>37</sup> By Verizon’s own math, this Transaction would give it the largest prepaid retail business in the United States.<sup>38</sup> That is a sizable swing in market share, and the Commission should determine whether eliminating the largest wholesale wireless service consumer could give Verizon the largest base of prepaid subscribers, leading to higher retail prices and removing a significant source of wholesale business from the marketplace.

The resulting increase in concentration also might incentivize and allow Verizon to charge higher rates to mobile network operators seeking to resell services to TracFone customers through a foreclosure strategy. And it could limit the capacity for MVNOs competing with TracFone and raise their prices, passing additional costs on to consumers. The Commission should examine carefully these potential issues.

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<sup>33</sup> *Id.* ¶ 78.

<sup>34</sup> See Sascha Segan, *Verizon Buys Prepaid Carrier TracFone*, PC MAG (Sept. 4, 2020), <https://bit.ly/3djg77f>.

<sup>35</sup> See Michael Hodel, *Verizon’s Solid Wireless Position Should Create Near-Term Opportunities to Take Share*, MORNINGSTAR (Sept. 14, 2020), <https://bit.ly/36UCChD>.

<sup>36</sup> T-Mobile-Sprint Merger Order, ¶ 75.

<sup>37</sup> *Id.* at 4.

<sup>38</sup> *Verizon to acquire TracFone Wireless, Inc.*, Verizon (Sept. 14, 2020), <https://vz.to/3743JHa> (announcing that TracFone currently has around 21 million customers); Application at 5 (noting that T-Mobile and AT&T have 20 million and 18 million prepaid customers, respectively).

The Commission’s competition review should also extend to potential vertical effects. MVNOs like TracFone do not own any network facilities, but instead purchase mobile wireless services wholesale from facilities-based service providers and resell these services.<sup>39</sup> Through wholesale agreements, MVNOs “often increase the range of services offered to consumers” by providing services to consumers that companies like Verizon do not serve.<sup>40</sup> The Commission should ask whether this Transaction would incentivize Verizon to raise wholesale prices or degrade the quality of wholesale services because of its newfound market share. Verizon points out that it already provides service to a majority of TracFone’s customers.<sup>41</sup> This ignores the key distinction that TracFone, currently a company legally separate from Verizon and with its own market power, employs an independent strategy to purchase services not only from Verizon but also from AT&T, T-Mobile, and other providers. While roughly 13 million TracFone customers already use the Verizon network, the Application states repeatedly that Verizon will migrate the remaining 8 million TracFone customers from AT&T and T-Mobile to Verizon.<sup>42</sup>

When the smoke clears on the transaction, the wireless market will have fundamentally changed. All significant MVNOs will be vertically integrated with facilities-based carriers. Every facilities-based carrier will have incentive to exclude all other MVNOs, including potential new entrants, from its network. This consolidation will also increase the likelihood of coordinated effects, where MVNOs consciously adopt parallel strategies to protect their valuable post-paid customers from migrating to lower cost pre-paid. Rather than a source of price

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<sup>39</sup> *Communications Marketplace Report et al.*, Report, 33 FCC Rcd. 12558, ¶ 7 (2018).

<sup>40</sup> T-Mobile-Sprint Merger Order, ¶ 285.

<sup>41</sup> Application at 4.

<sup>42</sup> *Id.* at 3.

competition, the pre-paid market would become the equivalent of the airline “no frills economy class” while treating post-paid as “first class.”

This is not a question of whether or not Verizon actively plans on such an outcome. The Commission must consider the dangers that such an outcome will occur if it allows the transaction to go forward regardless of Verizon’s current intentions. This is not a matter of trust, but a matter of economic analysis and the responsibility of the Commission to maintain what few sources of competition still exist in an already highly concentrated wireless market. Even if the FCC ultimately permits the transfer, it has a statutory responsibility to understand the markets it regulates so that it can ensure that granting the transfer will serve the public interest. Again, “this transaction is more complex than usual,”<sup>43</sup> and therefore unsuitable for streamlining.

**V. THE COMMISSION MUST ADDRESS TRACFONE’S AFFILIATION WITH AMERICA MOVIL AND TRACFONE’S DOMESTIC 214 AUTHORIZATION.**

As stated in the Application, TracFone is currently an indirect wholly-owned subsidiary of America Movil, a dominant carrier in Mexico. Rule 63.12 explicitly prohibits streamlining for applications where one of the Applicants is affiliated with a dominant foreign carrier. As the Commission noted when adopting this rule in 1998, such affiliations give rise to potential anti-competitive conduct for competing U.S. carriers trying to enter the foreign market.<sup>44</sup> Rule 63.12 does contain a list of several potential exceptions to this rule. Although Verizon discusses in its public interest statement that post-acquisition TracFone will no longer be affiliated, that is not one of the listed exceptions. As the Commission understands, transactions may create business understandings or involve side-deals that have potentially anti-competitive effects. It is for this very reason that the Commission prohibits streamlining for any application where an “*applicant*”

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<sup>43</sup> See Terraform Streamlining Order.

<sup>44</sup> See, e.g., 1998 Order at ¶ 36.

is affiliated with a dominant foreign carrier—not any application which results in affiliation with a dominant foreign carrier.

Additionally, Section 63.18(e)(3) of the Commission’s rules requires an applicant to disclose any other authorizations if it intends to “acquire facilities or offer services not covered by paragraphs (e)(1) and (e)(2).”<sup>45</sup> In 2013, as part of its acquisition of Page Plus Cellular, TracFone acknowledged that it holds a domestic 214 license.<sup>46</sup> If Verizon will acquire this domestic Section 214 authorization or any other domestic Section 214 authorization as a part of this transaction, it must be identified before accepting the application as complete. Even if Verizon is compliant with Rule 63.18(e)(3), the Commission should require the Applicants to account for this certification. TracFone does not appear to have filed a notice discontinuing its domestic 214 authorization, and it seems implausible that an MVNO with more than 20 million subscribers could legally operate in the United States without such authority. Again, as a matter of policy, the Commission should not allow applicants in a transaction this large, and with such enormous potential impact, to divide the necessary certification transfers as a means of leveraging streamlined approvals against non-streamlined approvals.

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<sup>45</sup> 47 C.F.R. § 63.18(e)(3)

<sup>46</sup> *Application for Consent to Assignment of Customer Base and Related Assets of an Authorized Domestic Section 214 Carrier*, TracFone Wireless, Inc., WC Docket No. 13-138, at 2 (2013), <https://bit.ly/3ITJMaa> (“Upon grant of this Application and consummation of the proposed transaction, TracFone will relinquish the domestic Section 214 authority previously held by Page Plus and will provide service to the acquired customers pursuant to its own domestic Section 214 authorization.”); *Domestic 214 Application Granted for the Acquisition of Assets of Start Wireless Group, Inc. d/b/a Page Plus Cellular by TracFone Wireless, Inc.*, Public Notice, 29 FCC Rcd. 93 (WCB 2014).

## VI. CONCLUSION

WHEREFORE, the Commission should deny the request for streamlining and require the Applicants to submit their Lifeline Certification Plan before accepting the Application as complete.

Respectfully submitted.

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October 16, 2020

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I hereby certify that, on October 16th, 2020, I caused a copy of the foregoing pleading to be served via regular mail upon:

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