

October 19, 2020

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

Re: File No. ITC-T/C-20200930-00173

Dear Ms. Dortch:

On Thursday, October 15, I spoke with Austin Bonner and Alisa Valentin of Commissioner Starks' office, with regard to the above captioned proceeding.

With regard to File No. ITC-T/C-20200930-00173, Verizon/Tracfone Application, I urged that the Commission deny streamlined treatment and put the application out for public notice. As an initial matter, the application on its face does not appear to qualify, since Tracfone is a wholly owned subsidiary Mexico's dominant carrier America Movil. More importantly, the merger raises important issues that the FCC can only address through the normal processes.

First and foremost, Tracfone is one of the most significant participants in the Lifeline program. Verizon has traditionally avoided participation in Lifeline. Taking Verizon at their word that Tracfone is intended as an entry into the market is not sufficient to protect Lifeline recipients from the real possibility that Verizon may subsequently change course. Verizon was quite sincere in developing Go90 as a competing video service and spent billions of dollars on the requisite content and technology. But a few years later, Verizon was forced to scrap the effort. Verizon might decide in a few years that it no longer has interest in Lifeline participation. Only a thorough examination by the Commission – with the opportunity for civil society to weigh in on the possible impacts – can the Commission determine if Verizon has a long-term commitment to Lifeline or if conditions are necessary to protect vulnerable Lifeline participants.

Additionally, Verizon's acquisition of Tracfone completes a radical transformation of the mobile market by eliminating the last significant independent MVNO. Post-transaction, all major MVNOs will be vertically integrated with one of the national facilities based carriers (or a would-be national facilities based carrier). This may have significant impacts on the market overall. For example, carriers may no longer wish to sell network capacity to independent MVNOs, preferring to reserve capacity for their own affiliate. Carriers may deny access to the 5G portion of their network to even their own MVNOs to force customer to become more expensive post-paid customers.

To be clear, PK does not say that these issues require rejection of the application, or that potential concerns about Lifeline and competition could not be fixed with suitable conditions. At

this stage, it is important to recognize that the transaction is sufficiently transformative of the industry, and places the future of the Lifeline program at sufficient risk, to warrant a thorough examination by the Commission. Accordingly, the Commission should not grant the request for streamlined processing.

In accordance with Section 1.1206(b) of the Commission's rules, this letter is being filed with your office. If you have any further questions, please contact me at (202) 861-0020.

Respectfully submitted,

/s/ Harold Feld
Senior Vice President
PUBLIC KNOWLEDGE

cc: Austin Bonner
Alisa Valentin