

Decision 25-07-015 July 24, 2025

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Joint Application
of TracFone Wireless, Inc. (U4321C),
América Móvil, S.A.B. de C.V. and
Verizon Communications, Inc. for
Approval of Transfer of Control over
Tracfone Wireless, Inc.

Application 20-11-001

**DECISION GRANTING JOINT MOTION
FOR ADOPTION OF SETTLEMENT AGREEMENT**

Summary

This decision grants the June 14, 2024 Joint Motion of Center for Accessible Technology and Verizon Communications Inc. for Adoption of Settlement Agreement. The Settlement Agreement, signed by Center for Accessible Technology, Verizon Wireless Communications, and The Utility Reform Network, is uncontested.

This proceeding is closed.

1. Background

The instant application was filed on November 5, 2020. After review of protests, responses, pleadings and briefs on the issues raised in the Assigned Commissioner's Scoping Memo and Ruling, the assigned Administrative Law Judge (ALJ) issued a proposed decision on October 15, 2021. The proposed

decision was ultimately adopted by the California Public Utilities Commission (Commission) on November 18, 2021, formally approving Verizon Communications Inc.'s (Verizon) acquisition of TracFone Wireless, Inc. (TracFone) with certain conditions (Decision (D.) 21-11-030).

On July 27, 2023, TracFone and Verizon jointly filed a Petition for Modification (PFM) of D.21-11-030. On October 6, 2023, Center for Accessible Technology (CforAT) filed a PFM of D.21-11-030. On February 22, 2024, CforAT filed a motion to withdraw its PFM and included as an attachment (Attachment A) a proposed Settlement Agreement between CforAT, Verizon, and The Utility Reform Network (TURN).

To properly evaluate the Settlement Agreement, CforAT was directed to refile Attachment A as a Motion for Settlement under Rule 12.1 of the Commission's Rules of Practice and Procedure (Rules).¹ CforAT timely filed a Joint Motion for Adoption of Settlement Agreement on June 14, 2024.² This proposed decision addresses the June 14, 2024 motion under Rule 12.1.

1.1. Acquisition Information

On November 18, 2021, the Commission issued D.21-11-030 approving Verizon's proposed acquisition of TracFone with conditions. Prior to the acquisition, TracFone offered service using Verizon, AT&T Inc. (AT&T), and T-Mobile US, Inc.'s (T-Mobile) networks, and some customers had handsets that worked on the AT&T and T-Mobile networks but were incompatible with the Verizon network. Verizon's post-acquisition plans were to eventually

¹ See May 14, 2024 Administrative Law Judge Ruling.

² The Settlement Agreement is attached to this decision in the Appendix.

discontinue offering service on the AT&T and T-Mobile networks creating a risk that some TracFone customers (*i.e.*, the customers with incompatible devices) would lose service.³ Ordering Paragraph (OP) 8 of D.21-11-030 included protections for TracFone customers who ordered service on or before November 19, 2021. OP 8 requires that, prior to disconnecting any TracFone customers who have an incompatible subscriber identity module (SIM) card or device and who ordered service on or before November 19, 2021, Verizon is required to notify those customers and offer them a replacement SIM card or device at no cost to the customer. Pursuant to OP 8, Verizon must provide the Commission with periodic updates regarding the number of customers that Verizon has “migrated” or provided with a Verizon-compatible SIM card or device.

On August 22, 2023, as part of its ongoing updates to the Commission as to the number of migrated customers, Verizon filed Advice Letter (AL) 101. TracFone customers who have purchased service *after November 19, 2021* are referred to as “post-acquisition customers.”⁴ In AL 101, Verizon disclosed that TracFone has continued to add new customers on non-Verizon networks after November 19, 2021. AL 101 specified that post-acquisition customers are not subject to OP 8 protections because they purchased service from TracFone after November 19, 2021.

³ D.21-11-030 at 34-35.

⁴ Joint Motion for Settlement Agreement at 2.

On October 6, 2023, CforAT filed a PFM asking the Commission to extend OP 8's protections to TracFone customers who had purchased service after November 19, 2021. On February 15, 2024, Verizon, CforAT, and TURN signed an agreement resolving the concerns in CforAT's PFM.⁵ Pursuant to the May 24, 2024 ALJ Ruling, CforAT filed a Settlement Agreement via motion on June 14, 2024. The June 14, 2024 filing includes a redlined attachment of the Settlement Agreement filed on February 15, 2024 and the June filing, which amounts to clerical revisions.

1.2. Submission Date

This matter was submitted on June 14, 2024, with the filing of the Motion for Settlement Agreement.

2. Overview of the Settlement Agreement

The Settlement Agreement resolves all issues outlined in CforAT's October 6, 2023 PFM. Signatories to the Settlement Agreement are Verizon, CforAT and TURN (*collectively*, Settling Parties). The Settlement Agreement includes protections for post-acquisition customers and provides for the withdrawal of CforAT's PFM.⁶

Under the terms of the Settlement Agreement, post-acquisition customers would receive protections that are similar to the protections provided to pre-acquisition customers in OP 8:

⁵ This signed agreement was submitted as "Attachment A" to CforAT's February 22, 2024 Motion.

⁶ Joint Motion for Settlement Agreement at 3: The Settlement Agreement includes protections for post-acquisition customers and provides for the withdrawal of CforAT's PFM.

- TracFone will continue to serve post-acquisition customers who choose not to migrate to the Verizon network on third-party networks until at least December 31, 2025;
- TracFone will provide post-acquisition customers with 60 days' notice that the customer must migrate to the Verizon network to continue service. TracFone will notify CforAT and TURN at least 30 days before providing that notice to its post-acquisition customers; and
- If a post-acquisition customer requires a SIM card or replacement handset to migrate to Verizon's network, TracFone will provide that SIM card or replacement handset at no cost to the customer. If a post-acquisition customer loses service because they did not take action to migrate to the Verizon network, TracFone will provide a free SIM card or replacement handset for 30 days after that customer's service was terminated.

The Settlement Agreement provides for in-language and accessible communications to post-acquisition customers, prorated refunds for services that would have continued (or terminated at a date later than) the termination date, and a toll-free number for customers needing assistance.⁷ The Settlement Agreement is uncontested.

3. Settlement Agreement Under Rule 12.1

The Commission has long favored the settlement of disputes.⁸ Rule 12 generally concerns settlements. Pursuant to Rule 12.1(d), the Commission will not approve a settlement unless it is found to be reasonable in light of the whole record, consistent with law, and in the public interest. This standard applies to

⁷ Joint Motion for Settlement Agreement at 4.

⁸ D.17-08-030 at 9.

settlements that are both uncontested and contested. Where a settlement is contested, it will be subject to more scrutiny than an uncontested settlement. The proposed settlement at issue here is contested because it was not agreed to by all the parties and it was protested.

3.1. The Settlement Is in the Public Interest

The Commission has found when all active parties in a proceeding reach settlement, that settlement “commands unanimous sponsorship of the affected parties who fairly represent the interests affected by the Settlement.”⁹ The June 14, 2024 Settlement Agreement is sponsored by Verizon, CforAT and TURN. While there are additional parties on the service list for this proceeding, the Settling Parties have been the most active as of late, and no party protested the settlement. Moreover, TURN and CforAT have a long history of representing the interests of utility customers before the Commission and have carefully reviewed the Settlement Agreement and how it will affect post-acquisition customers.¹⁰ The Settlement Agreement protects the public interest, because it provides for customer protections that would not otherwise be available to post-acquisition customers. Furthermore, the Settlement Agreement will not create any adverse outcome, as it gives post-acquisition customers cognizable benefits while minimizing any potential harms of future service termination.

⁹ D.17-03-005 at 6-7.

¹⁰ Joint Motion for Settlement Agreement at 5.

3.2. The Settlement Is Reasonable in Light of the Whole Record

The Commission has a well-established policy of adopting settlements if they are fair and reasonable in light of the whole record.¹¹ In D.00-09-034, the Commission held that the parties' evaluation of their respective litigation positions and the settlement is reasonable because it represents the collective best efforts of the Settling Parties.

Here, the Settlement Agreement is reasonable in light of the whole record because TURN, CforAT, Verizon, have agreed to extend protections adopted in OP 8 of D.21-11-030 to post-acquisition customers. The Settlement Agreement is narrowly focused, addresses only the narrow topic of post-acquisition customers, and does not address or conflict with any other compliance mandates required by D.21-11-030. Moreover, the Settling Parties reached this agreement after engaging in earnest negotiations.¹²

3.3. The Settlement Is Consistent with the Law

We conclude the Settlement is consistent with the law. The Settling Parties assert that the terms of the Settlement are consistent with the provisions of the California Public Utilities Code and prior Commission decisions. The Settling Parties indicate their understanding that this Settlement Agreement is subject to Rule 12.¹³ The Settlement Agreement reflects that a Rule 12 settlement

¹¹ D.18-09-034 at 20.

¹² Joint Motion for Settlement at 5.

¹³ Settlement Agreement at 5.1.

conference was noticed on June 5, 2024, and held on June 12, 2024, and all parties on the service list were invited to participate during the Settlement Conference.¹⁴

4. Summary of Public Comment

As of July 17, 2025, there are two public comments on the Commission's docket card, public comment tab for this proceeding. The comments were both submitted on June 31, 2022, and do not address the Verizon and TracFone merger or the terms of the proposed settlement.

5. Conclusion

After reviewing the proposed settlement under Rule 12.1(d) as defined by the June 14, 2024, Motion for Settlement Agreement, we find the terms to meet the three criteria of being in the public interest, reasonableness, and legal consistency. This proposed decision grants the motion of the Settling Parties to adopt the Settlement. We authorize the proposed protections for post-acquisition customers outlined in Section 2 of this decision.

6. Procedural Matters

In their comments, Verizon requests the Commission grant Verizon's Motion to Withdraw its outstanding Petition to modify D.21-11-030 (Motion), filed on July 2, 2025. As stated in the Motion, the Petition is mooted by subsequent OP 8 deadline extensions, penalty waivers, and the instant Proposed Decision.

In lieu of comments, CforAT filed a Response to Verizon's July 2nd Motion on July 16, 2025. CforAT's Response asks the Commission to deny the July 2nd

¹⁴ Settlement Agreement at 5.1.

Motion and not consider the merits of the request until Verizon corrects a “misleading narrative” in the background section of the Motion.

Focusing on the procedural issue at hand, given the Petition is now moot and granting Verizon’s motion to withdraw does not require substantiation of the narrative provided, we find no issue in granting the July 2, 2025 Motion. Accordingly, this decision grants Verizon’s Motion filed on July 2, 2025 to withdraw its outstanding petition to modify D.21-11-030.

This decision affirms all rulings made by the ALJ and assigned Commissioner in this proceeding. All motions not ruled on are deemed denied.

7. Comments on Proposed Decision

The proposed decision of ALJ Sasha Goldberg was mailed to the parties in accordance with Public Utilities Code Section 311 and comments were allowed under Rule 14.3. Comments were filed on July 10, 2025, by Verizon. No reply comments were filed. Verizon supports the proposed decision and makes a procedural request which is discussed above in Section 6.

8. Assignment of Proceeding

Alice Reynolds is the assigned Commissioner and Sasha Goldberg is the assigned ALJ in this proceeding.

Findings of Fact

1. Approval of the Settlement Agreement should extend OP 8 of D.21-11-030 protections to post-acquisition customers.
2. The Settling Parties complied with Rule 12.

Conclusions of Law

1. The Settlement Agreement is in the public interest.
2. The Settlement Agreement is reasonable in light of the whole record.

3. The Settlement Agreement is consistent with the applicable law.

4. Verizon's July 2, 2025 Motion to withdraw its petition to modify

D.21-11-030 is granted.

O R D E R

IT IS ORDERED that:

1. Approval of the Settlement Agreement should extend many of the protections found in Ordering Paragraph 8 of Decision 21-11-030 to post-acquisition customers who require equipment or assistance to migrate to the Verizon Communications Inc. network.

2. Consistent with the terms and conditions outlined in the Settlement Agreement, Verizon Communications Inc.'s acquisition of TracFone Wireless, Inc. (TracFone) shall provide many of Decision 21-11-030 Ordering Paragraph 8 customer protections to post-acquisition customers, or those TracFone customers who have purchased service *after November 19, 2021*.

3. Verizon Communications Inc. and TracFone Wireless, Inc. shall continue to be subject to all compliance requirements contained in Decision 21-11-030.

4. Application 20-11-001 is closed.

This order is effective today.

Dated July 24, 2025, at San Francisco, California.

ALICE REYNOLDS

President

DARCIE L. HOUCK

JOHN REYNOLDS

KAREN DOUGLAS

Commissioners

Commissioner Matthew Baker
recused himself and did not
participate in the vote of this item.

APPENDIX