

**BEFORE THE
Federal Communications Commission
Washington, D.C.**

In the Matter of)	
)	
Verizon's Handset Unlocking Petition)	WT Docket Nos. 06-150, 24-
)	186, 21-112,
)	DA/FCC #: DA-25-490
)	GN Docket No. 25-133
)	

Comments of
Thomas A. Schatz
President
Citizens Against Government Waste
On
Verizon's Handset Unlocking Waiver Petition

July 1, 2025

Citizens Against Government Waste (CAGW) is a private, nonprofit, nonpartisan organization dedicated to educating the American public about waste, fraud, abuse, mismanagement, and inefficiency in government. On behalf of the more than 1 million members and supporters of CAGW, I offer the following comments and recommendations regarding the petition from Verizon for a waiver on its Handset Unlocking requirements for C-Block Licensees (DA/FCC # DA-25-490; Docket No. 06-150, 24-186, 21-112).

The imposition of Verizon's handset unlocking requirement was imposed as a condition of approving Verizon's acquisition of Tracfone. Only one other mobile provider, T-Mobile, has a similar unlocking requirement imposed as a condition of its merger with Sprint to form the New T-Mobile. Such conditions are unwarranted and do not serve the public good. Verizon notes in its petition that "[t]he rule has resulted in unintended consequences that harm consumers,

competition, and Verizon, while propping up international criminal organizations that profit from fraud, including device trafficking of subsidized devices from the United States. These bad actors target and harm American consumers and U.S. carriers like Verizon for their own profit, by diverting unlocked trafficked devices to consumers in foreign countries.”¹

According to the website Stopcellphonetrafficking, “cell phone traffickers have cost America’s cell phone industry as much as \$1 billion in lost investment that was intended to help U.S. consumers; losses lead to increased pricing making everyone pay for the traffickers’ crimes and unsuspecting consumers purchase the hacked gray market devices without a warranty; cell phone traffickers sometimes rob stores and individual at gun point, steal identities and credit cards, and use other illegal schemes to get bulk quantities of cell phones; and the profits from gray market cell phone trafficking have been known to fund terrorism and other illegal activities.”² The FCC should help mobile providers by eliminating the unlocking requirements that open the gate to cell phone trafficking, fraud, and other illegal activities. As the Verizon filing notes, “Recent industry experience shows that even a lock of 60 days does not deter device fraud – a huge and growing problem in the United States – and instead enables trafficking in devices that are illicitly sent to foreign marketplaces. This is why the industry standard for providers not subject to the Unlocking Rule is a minimum of 6 months or longer.”³

As CAGW noted in its April 11, 2025, comments regarding the Delete, Delete, Delete proceeding and its ex parte comments on November 12, 2024, on handset unlocking (WT Docket No. 24-186), limitations on cell phone unlocking exist solely due to merger conditions created by the FCC for select mobile providers, and the wireless industry has adopted reasonable standards

¹ Federal Communications Commission (FCC), “Verizon Request for Waiver,” May 19, 2025, <https://www.fcc.gov/ecfs/document/1051935705713/1>.

² StopCellPhoneTrafficking, “Cell Phone Trafficking Harms Everyone,” <https://stopcellphonetrafficking.com/>.

³ Ibid, FCC, “Verizon Request for Waiver.”

for unlocking.⁴ In 2014, CTIA – The Wireless Association adopted standards for mobile wireless device unlocking that offered consumers the ability to unlock their devices when certain conditions were met, like a device’s contract or installment plan is fulfilled and the account is in good standing.⁵ These voluntary standards create an environment that opens the opportunity for consumers to unlock their devices once they are paid off in full. Consumers can choose to purchase unlocked devices either through a device manufacturer or on the secondary market.

CAGW recommends that the FCC should bring parity to the marketplace by granting Verizon’s request for a waiver of its unlocking requirements and further to extend that grant to other mobile carriers that are similarly required to unlock handset devices prior to dispersal of funds owed for the devices. Outside of removing this requirement, we request that the 60-day requirement be extended to 180 days as suggested in our November 12, 2024, comments.

⁴ Citizens Against Government Waste (CAGW), “CAGW Submits Comments to FCC on Cell Phone Unlocking,” November 12, 2024, https://www.cagw.org/agency_comments/cagw-submits-comments-fcc-cell-phone-unlocking/; CAGW, “CAGW Files Comments with FCC on Delete, Delete, Delete Proceeding, GN-Docket No. 25-133, April 11, 2025, https://www.cagw.org/agency_comments/cagw-files-comments-fcc-delete-delete-delete-proceeding/.

⁵ FCC, Cell Phone Unlocking, <https://www.fcc.gov/general/cell-phone-unlocking>.