



Nonprofit Publisher
of Consumer Reports

February 7, 2011

Daniel S. Mead
President & CEO
Verizon Wireless
140 West Street
New York, NY 10007

Dear Mr. Mead:

We at Consumers Union, the non-profit publisher of *Consumer Reports*® magazine, in looking out for the consumers' interests, would like to raise some questions about options and pricing associated with the new Verizon Wireless Apple iPhone 4, which should be available to consumers on February 10.

As we understand, Verizon Wireless customers will spend \$199.99 or \$299.99 to purchase the Apple iPhone 4. However, as recent history would indicate, it is very likely that Apple will release a new, upgraded model of the iPhone this summer. We ask that you clarify what options Verizon Wireless customers who purchase an iPhone 4 this week will have if they buy the Apple iPhone 5 upon its release.

For example, will customers receive a rebate or some type of discount towards purchasing the new iPhone model? Will customers wanting to replace the iPhone 4 with the iPhone 5 be in violation of their two-year contract commitment and thus subject to an early termination fee of \$350? Will customers face any other costs, penalties, or obstacles for upgrading to an iPhone 5?

We believe these are important questions, and consumers should have all the relevant facts and answers before spending a significant amount of money on a phone that will soon be superseded by a new model. We hope that you will provide – prior to February 10 - transparent answers to these questions, so that consumers are aware of their options and can make informed choices about the products and services they purchase.

Sincerely,

Parul P. Desai
Policy Counsel
Washington Office

Consumers Union

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