

For \$10 fee, startup offers unlimited calls and texts

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A San Francisco startup may have the solution parents have been seeking for years. Free phone service—without an expensive monthly contract.



"Never pay for <u>phone service</u> again," TextNow says on its website. Sounds pretty enticing, right?

There are several catches: TextNow offers you a personal <u>phone number</u> and connections to make free, ad-supported <u>phone calls</u> and texts. But it has to be with a <u>phone</u> that's compatible with the Sprint network. And you can't surf the internet as well. That will cost you at least \$19.99 monthly.

But if you're willing to spring for the \$9.99 set-up fee to buy the TextNow Sim card to install in your existing phone or new purchase, you get a free alternative to the major wireless carriers whose monthly fees are sky-high. Verizon's wireless plan starts at \$70 for one line of service, for instance.

"This has been our goal for years, to go free," says Derek Ting, TextNow's co-founder. "We finally got there."

TextNow had offered free calls and texts, but only to customers who were within WiFi range and who made calls on the TextNow smartphone app.

Now, once you register, download the app and get a phone number from TextNow, the phone will ring for incoming calls, whether or not the app is open.

Ting reports over 200 million downloads for the TextNow app.

It was just a year ago that another tech startup, Mint Mobile, advertised during the 2019 Super Bowl, with its low-ball offer of \$15 monthly for free calls, texts and 3 GB of mobile data. The catch was that the price jumped to \$25 monthly after the first 3 months. Later in 2019, rival Unreal Mobile countered with a \$20 monthly plan for 3 GB of data.



For this year's Super Bowl, MintMobile is back, with another offer. Sign up for service during the game and get three months of mobile service for free. But you'll have to act fast. The offer is only available from 3:15 PM PST on Feb. 2 until around 7:15 PM PT, when the game is expected to be finished.

Meanwhile, at TextNow, Ting says the ads are display only—users won't be forced to listen to them before or after making phone calls. For those who would like the service without ads, the cost is \$9.99 monthly, \$19.99 monthly with ads and mobile data.

For parents who need to buy a phone for their kids to keep in touch but don't want to pay \$200 or more in monthly service charges, first they will need a phone that works with Sprint or Verizon.

Many might have an old phone around the house. If not, TextNow will sell you an older iPhone model, the 7, for \$259. You could do even better buy going to a used site like Gazelle, where a 7 could be had for \$179. A Samsung Galaxy \$7, also a phone four years old, is \$144 on Gazelle.

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