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Subject: Petition of Virgin Mobile USA, L.P.
Attachments: Virgin Mobile USA, LP.pdf

On behalf of Virgin Mobile USA, L.P., enclosed please find a Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of Florida (45 pages).

Should you have any questions regarding the attached, please contact the undersigned.

Respectfully submitted.

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03968 APR 29 8

FPSC-COMMISSION CLERK

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of)
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Virgin Mobile USA, L.P.
Petition for Limited Designation as an
Eligible Telecommunications Carrier
in the State of Florida

Docket No. 090245-TP

PETITION FOR LIMITED DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER
IN THE STATE OF FLORIDA

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**BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION**

In the Matter of)
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Virgin Mobile USA, L.P.)
Petition for Limited Designation as an)
Eligible Telecommunications Carrier)
in the State of Florida)
_____)

Docket No. 090245-TP

**PETITION FOR LIMITED DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER
IN THE STATE OF FLORIDA**

I. INTRODUCTION

Virgin Mobile USA, L.P. (“Virgin Mobile” or the “Company”), by undersigned counsel and pursuant to section 214(e)(2) of the Communications Act of 1934, as amended (the “Communications Act”),¹ and sections 364.011 and 364.10 of the Florida Statutes,² hereby respectfully petitions the Florida Public Service Commission (“Commission”) for limited designation as an eligible telecommunications carrier (“ETC”) throughout the State of Florida. Virgin Mobile seeks ETC designation only for the limited purpose of providing Lifeline-supported services to qualifying Florida customers. Virgin Mobile is not seeking authority to offer services in high-cost areas under the federal Universal Service Fund (“FUSF”).

Virgin Mobile meets all of the necessary requirements under the Communications Act and the Commission’s regulations for the limited ETC designation requested herein, including

¹ See 47 U.S.C. § 214(e)(2).

² See FL. STAT. ch. 364.011, 364.10.

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offering all of the services and functionalities set forth in section 54.101(a) of the Federal Communications Commission's ("FCC") regulations.³ The Company understands that section 214(e)(1)(A) of the Communications Act requires an ETC to offer FUSF-supported services over its own facilities or a combination of its own facilities and the resale of another carrier's services. As more fully discussed below, Virgin Mobile has sought and received forbearance from application of this requirement from the FCC, allowing the Florida Commission to designate the Company as an ETC.⁴

Virgin Mobile respectfully requests that the Commission promptly approve the instant request for limited ETC designation to enable the Company to rapidly provide Lifeline services to qualifying Florida customers. Many low-income Florida customers have yet to reap the benefits from the intensely competitive wireless marketplace because of financial constraints, poor credit history or intermittent employment. As an ETC, Virgin Mobile would be able to provide discounted and affordable services to these consumers—many of whom are among the intended beneficiaries of FUSF support. Grant of the instant request, therefore, would promote the public interest by providing Florida customers with lower prices and higher quality wireless services.

II. BACKGROUND

A. Virgin Mobile Overview

Virgin Mobile was established as a joint venture between Sprint Nextel and Sir Richard Branson's Virgin Group in 2002 to focus on the pay-as-you-go, or prepaid, market. Sprint Nextel provides the nationwide wireless backbone for Virgin Mobile's service, including all

³ See 47 C.F.R. § 54.101(a)

⁴ See Section III.C. *infra*.

network infrastructure and wireless transmission facilities, and Virgin Mobile purchases wireless network services on a wholesale basis at fixed rates. As a Mobile Virtual Network Operator (“MVNO”), the Company manages and markets all aspects of the customer experience, including the design and pricing of service offers, handset selection, mobile content, entertainment applications, customer care and website and marketing materials. Virgin Mobile’s simple and straightforward pay-as-you-go services, along with its differentiated service offerings and high-quality customer service, have redefined the prepaid wireless industry and brought significant competition to the overall wireless marketplace. Virgin Mobile’s value proposition enables customers to select among an array of flexible service plans that allow them to pay for minutes and text messages as they use them or purchase monthly buckets of minutes and text messages in advance. The Company also offers multimedia messaging and an array of mobile entertainment and information services, including music, games, graphics and social networking functions on all handsets.

Unlike many wireless carriers, Virgin Mobile does not impose credit checks or long-term service contracts as a prerequisite to obtaining service. Many of its customers are from lower-income backgrounds and did not previously have access to an affordable and high-quality wireless service because of financial constraints or poor credit. Indeed, the Company estimates that approximately one-third of its customers are new to wireless services and 35 percent have an annual household income below \$35,000. Many of these customers also use Virgin Mobile’s services sparingly, with a substantial percentage spending less than \$10 per month. Virgin Mobile’s prepaid wireless offerings have become an essential service option for lower-income customers, providing them with value for their money, access to emergency services on wireless

devices and a reliable means of contact for prospective employers or social service agencies.⁵ By marketing and promoting the availability of appealing wireless services to consumers otherwise unable to afford them, and those previously ignored by traditional carriers, Virgin Mobile has effectively expanded access to wireless services.

Prepaid wireless carriers have played an important role in driving the adoption of wireless services for many customers previously unable to subscribe to an increasingly essential service. By expanding the availability of wireless services to those otherwise unable to afford service or those previously ignored by traditional carriers, Virgin Mobile and other prepaid carriers are helping to drive overall wireless penetration rates higher and, in particular, providing an alternative wireless service to those who previously did not have access to one. Indeed, the *Wall Street Journal* has reported that “[c]ellphone service is becoming available to many consumers previously shunned by telecom providers.”⁶

B. Virgin Mobile Lifeline Offering

As an ETC in Michigan, Virgin Mobile will provide its Lifeline customers with the same features and functionalities enjoyed by all of its other customers with one notable exception: Lifeline service will be free of charge. Eligible Lifeline customers will receive approximately 120 anytime minutes per month at no charge with additional service priced at \$0.20/minute and \$0.10/text message. In addition to free voice services, Lifeline customers also will have access to a variety of other standard features at no additional charge, including voice mail, caller I.D. and call waiting services. Finally, customers will purchase a mobile phone with a retail price of

⁵ A recent survey of Virgin Mobile customer usage patterns indicated that state and city welfare agencies are among the most frequently contacted by customers.

⁶ See "Immigrants Are Center of a Niche for Some Cellphone Providers," *The Wall Street Journal*, p.B3, Jan. 31, 2006.

approximately \$15, but will not be required to enter into a long-term service contract to maintain service. They simply will have to demonstrate their continued eligibility for participation in the Lifeline program.

Virgin Mobile's Lifeline customers will receive the same high-quality wireless services provided to all Company customers. Recognizing its competitive value, Virgin Mobile has emphasized customer service as an essential pillar for its marketplace success since service launch. Indeed, the Company's success is testament to the principle that wireless carriers can provide lower-income customers with the same features, functionalities and services demanded by higher-income consumers. This intense focus on customer service has been rewarded and customers have responded accordingly. Over 90 percent of Virgin Mobile's customers indicate that they would recommend the service to a friend, while nearly 80 percent already have done so. As evidence of its commitment to high-quality service, Virgin Mobile has complied with the CTIA-The Wireless Association® Consumer Code for Wireless Service ("Consumer Code") since its inception and will continue to comply with the Consumer Code once designated as an ETC.⁷ The Company also has received numerous awards for its high-quality customer service, including the prestigious J.D. Power award for providing "An Outstanding Customer Service Experience" under its Certified Call Center Program.

⁷ Virgin Mobile's compliance with the Consumer Code also satisfies its obligations under section 54.202(a)(3) of the FCC's regulations. See 47 C.F.R. § 54.202(a)(3).

III. VIRGIN MOBILE REQUEST FOR LIMITED ETC DESIGNATION

A. Virgin Mobile Seeks ETC Designation to Participate in the FUSF's Lifeline Program

Virgin Mobile requests statewide ETC designation in Florida for the sole purpose of participating in the FUSF's Lifeline program.⁸ The Company is not seeking to provide FUSF-supported services in high-cost areas. This limited ETC designation would advance the goals of universal service by making available the many benefits of FUSF-supported services to low-income customers in the State of Florida while not unduly burdening the FUSF. Virgin Mobile's Lifeline plans will provide affordable and convenient wireless services to qualifying Florida customers, many of whom are otherwise unable to subscribe to wireless services.

Designation of Virgin Mobile as an ETC would be a significant step towards ensuring that all Florida customers, especially low-income customers, share in the many benefits associated with access to affordable wireless telecommunications services. In these difficult economic times, many existing wireless customers have been forced to forego wireless services altogether because they can no longer afford them. According to a recent study, 28 percent of individuals in households earning less than \$35,000 per year have discontinued wireless service in the last six months because of financial reasons.⁹ Nearly one-half of Virgin Mobile's customers who terminate their service do not sign on with another carrier, but forego wireless service altogether. Providing Virgin Mobile with the authority to offer Lifeline-supported

⁸ Virgin Mobile's ETC designation request does not encompass federally recognized tribal areas in the State of Florida.

⁹ See *The First Annual New Millennium Research Council Survey on Consumers, Cell Phones and the Economy*, Opinion Research Corporation, at p.4 (2009), available at <http://newmillenniumresearch.org/archive/031909_NMRC_ORC_cellphone_survey.pdf> (visited April 7, 2009).

services should help to close the widening gap for wireless services and provide low-income Florida customers with the significant advantages associated with access to wireless services. As noted in a recent study sponsored by the Massachusetts Institute of Technology's Legatum Center for Development and Entrepreneurship, low-income customers receive significant economic and social benefits from wireless services, including enhanced productivity, increased economic opportunity and broader access to emergency and safety services.¹⁰

B. The Florida Commission Has Jurisdiction to Perform the Limited ETC Designation

The Commission has the requisite authority to perform the limited ETC designation requested herein. Section 214(e)(2) of the Communications Act provides state public utility commissions ("PUCs") with the "primary responsibility" for the designation of ETCs.¹¹ Pursuant to this authority, the Commission has determined that section 364.011 of the Florida Statutes provides it with the necessary jurisdiction over wireless providers for ETC designation purposes.¹² Under the Communications Act, a PUC with jurisdictional authority over ETC designations must designate a common carrier as an ETC if the carrier satisfies the requirements of section 214(e)(1). By offering all of the services supported by the FUSF and advertising the availability of such services, Virgin Mobile currently meets all of the requirements of section 214, warranting its designation as an ETC by the Commission.

¹⁰ See *Cell Phones Provide Significant Economic Gains for Low-Income American Households: A Review of Literature and Data from Two New Surveys*, Nicholas P. Sullivan (April 2008) ("MIT Study").

¹¹ 47 U.S.C. § 214(e)(2).

¹² See *In re: Petition of Alltel Communications, Inc. for Designation as an Eligible Telecommunications Carrier (ETC) in Certain Rural Telephone Company Study Areas Located Partially in Alltel's Licensed Area and for Redefinition of Those Study Areas, Notice of Proposed Agency Action Order Finding Authority to Consider Applications by CMRS Providers for ETC Designation*, Order No. PSC-07-0288-PAA-TP (rel. April 23, 2007).

C. The FCC Granted Virgin Mobile Forbearance from Application of the Facilities-Based Requirement

Section 214(e)(1)(A) of the Communications Act requires that a carrier designated as an ETC offer the services supported by the FUSF using its own facilities or a combination of owned and leased facilities.¹³ As an MVNO, Virgin Mobile does not own any wireless network facilities. Instead, it purchases wireless network services, including all network infrastructure and transmission facilities, from Sprint Nextel. To provide Lifeline-supported services, therefore, the Company petitioned the FCC for forbearance from application of the section 214 facilities-based requirement. The FCC granted the request in an Order released March 5, 2009, permitting the Commission to designate the Company as an ETC in Florida for the limited purpose of participating in the FUSF's Lifeline program.¹⁴

In approving Virgin Mobile's forbearance request, the FCC ruled that the Company had satisfied the statutory requirements for forbearance contained in section 10(a) of the Communications Act. The FCC found the facilities requirement unnecessary to ensure that Virgin Mobile's charges, practices and classifications remain just and reasonable and not unreasonably discriminatory.¹⁵ The FCC next determined that application of the facilities-based requirement was not necessary to protect consumers. On the contrary, the FCC reasoned that forbearance from the requirement actually would benefit customers by broadening the

¹³ See 47 U.S.C. § 214(e)(1)(A).

¹⁴ See *Federal-State Joint Board on Universal Service; In the Matter of Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A); Petitions for Designation as an Eligible Telecommunications Carrier in the States of New York, North Carolina, Pennsylvania, Tennessee and Virginia*, Order, FCC 09-18 (rel. March 5, 2009) ("Forbearance Order"). In addition to granting the Company's request for forbearance, the FCC also designated Virgin Mobile as an ETC for the states of New York, North Carolina, Tennessee and Virginia.

¹⁵ See *id.* at ¶18.

availability of discounted wireless telecommunications services.¹⁶ In conclusion, the FCC determined that forbearance from the facilities-based requirement was in the public interest because it would provide “Lifeline-eligible consumers [with] a choice of providers for accessing telecommunications services not available to such consumers today” and “expand participation of qualifying consumers” in the Lifeline program—a longstanding FCC goal.¹⁷

The FCC conditioned its grant of forbearance on Virgin Mobile’s compliance with certain requirements aimed at enhancing Lifeline customers’ access to public safety services and preventing misuse of the Company’s Lifeline offering. These conditions included the following: (a) providing Lifeline customers with 911 and enhanced 911 (“E911”) access immediately upon commencement of service and regardless of activation status or the availability of prepaid minutes; (b) offering E911-compliant handsets to new Lifeline customers upon activation of service and replacing any non-compliant handsets, at no additional charge, for existing customers who obtain Lifeline service; (c) obtaining a certification from each Public Safety Answering Point (“PSAP”) whose territory overlaps with Virgin Mobile’s Lifeline service area confirming that the Company provides its customers with 911 and E911 service or, if within 90 days of a request for certification, a PSAP has neither provided the certification nor affirmatively determined that Virgin Mobile does not provide its customers with access to 911 and E911, self-certifying that the Company meets the 911 and E911 requirements; (d) requiring customers to self-certify under penalty of perjury upon service activation and annually thereafter that they are the head of their household and receive Lifeline-supported service only from Virgin Mobile; and, (e) establishing applicable safeguards to prevent its customers from activating multiple Lifeline

¹⁶ See *id.* at ¶21.

¹⁷ *Id.* at ¶¶ 21, 30.

accounts, including tracking each Lifeline customer's primary residential address.¹⁸ The FCC required Virgin Mobile to submit a plan describing the measures it would undertake to implement each of these conditions.¹⁹ A copy of the Company's Compliance Plan, which it filed with the FCC on April 3, 2009, is attached hereto as Exhibit B. Virgin Mobile commits to providing its Lifeline services in accordance with the above-listed requirements to the extent that they continue to apply to the Company and the Compliance Plan.

D. Virgin Mobile Requests ETC Designation in its Existing Service Area

As a non-rural carrier, Virgin Mobile is required to describe the areas for which it requests ETC designation. The Company requests ETC designation for its entire Florida service area.²⁰ Virgin Mobile understands that its service area overlaps with several rural and non-rural carriers' service areas,²¹ but Virgin Mobile only seeks designation for purposes of participation in the Lifeline program. Designation of Virgin Mobile as an ETC for Lifeline purposes will not affect the FUSF high-cost funding available to any of these carriers. For these reasons, designation of Virgin Mobile as an ETC in these areas will serve the public interest.

E. The Limited Designation Request Is Consistent with Recent Precedent

Virgin Mobile's request for ETC designation to participate in the Lifeline program is consistent with the Commission's recent decision designating TracFone Wireless ("TracFone")

¹⁸ See *id.* at ¶ 12.

¹⁹ See *id.*

²⁰ Virgin Mobile's request for ETC designation does not encompass any federally-recognized tribally-owned lands.

²¹ A list of these carriers is included as Exhibit C.

as an ETC.²² In its decision, the Commission determined that TracFone's request satisfied all of the necessary eligibility requirements and that designation of a prepaid wireless provider as an ETC would serve the public interest.²³ The Commission also noted that TracFone, as an MVNO, could provide the services required by section 54.101 of the FCC's regulations.²⁴

Virgin Mobile requests that the Commission expeditiously process the instant ETC petition so that it can quickly provide qualifying lower-income Florida customers with affordable USF-supported wireless services during these challenging times for all state residents.

Designation of prepaid wireless providers such as Virgin Mobile and TracFone as ETCs would be a significant step towards ensuring that all customers, especially low-income customers, share in the many benefits associated with access to affordable wireless telecommunications services.

In a deteriorating economy, many existing wireless customers have to forego wireless services because they can no longer afford them. Designation of ETC status to prepaid wireless carriers like Virgin Mobile and TracFone should help to close the widening gap for wireless services and provide low-income customers with the significant advantages associated with access to wireless services.

IV. VIRGIN MOBILE SATISFIES THE REQUIREMENTS FOR DESIGNATION AS AN ETC IN FLORIDA

Section 214(e)(1) of the Communications Act requires that applicants for ETC designation must be common carriers that will offer all of the services supported by the FUSF

²² See *In re: Application for Designation as an Eligible Telecommunications Carrier (ETC) by TracFone Wireless, Inc. for Limited Purpose of Offering Lifeline Services to Qualified Households*, Notice of Proposed Agency Action Order Granting Eligible Telecommunications Status, Order No. PSC-08-0418-PAA-TP (rel. June 23, 2008) ("*TracFone ETC Order*").

²³ See *id.* at p.8.

²⁴ See *Section IV.B. infra.*

and advertise the availability and rates of such services.²⁵ As detailed below, Virgin Mobile meets these statutory requirements.

A. Virgin Mobile Is a Common Carrier

Section 153(10) of the Communications Act defines a common carrier as any entity “engaged as a common carrier for hire, in interstate or foreign communications by wire or radio”²⁶ As providers of telecommunications services, resellers of mobile wireless services are considered “Telecommunications Carriers” under the Communications Act and treated as common carriers for regulatory purposes.²⁷ As a reseller of wireless communications services, therefore, Virgin Mobile is a common carrier eligible for designation as an ETC by the Commission.

B. Virgin Mobile Offers All of the Required Services and Functionalities

In its *Forbearance Order*, the FCC determined that Virgin Mobile “now offers, or will offer upon designation as a limited ETC, the services supported by the Lifeline program.”²⁸ Through its wholesale arrangement with Sprint Nextel, Virgin Mobile provides all of the services and functionalities set forth in section 54.101 of the FCC’s regulations and supported by the FUSF. Virgin Mobile, moreover, will make these services and functionalities available to any qualifying Florida customer. These services include the following:

²⁵ See 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.201(d)(2).

²⁶ 47 U.S.C. § 153(10).

²⁷ See 47 U.S.C. § 153(44).

²⁸ *Forbearance Order* at ¶34.

1. Voice Grade Access to the Public Switched Telephone Network

Virgin Mobile provides voice grade access to the public switched telephone network (“PSTN”) through the purchase of wholesale network services from Sprint Nextel. This access permits customers to place and receive voice calls to any customer on the PSTN. To enable its voice services, Virgin Mobile offers its customers services at bandwidth rates between 300 and 3,000 MHz as required by the FCC’s regulations.²⁹

2. Local Usage

In connection with offering voice grade access to the PSTN, an ETC also must provide local calling services to its customers.³⁰ The FCC has determined that a carrier satisfies the ETC local usage requirements when it offers customers rate plans containing varying amounts of local usage.³¹ Virgin Mobile offers a variety of rate plans that provide its customers with local usage capabilities included within the flat per-minute or per-monthly rate. Virgin Mobile also commits to complying with any minimum local usage requirement adopted by the FCC in the future.

3. Dual-Tone Multi-Frequency Signaling or its Functional Equivalent

Virgin Mobile provides dual-tone multi-frequency (“DTMF”) signaling to expedite call set up and the transmission of call detail information for its services. All wireless handsets offered for sale by the Company are DTMF-capable as required by the FCC’s regulations.³²

²⁹ See 47 U.S.C. § 54.101(a)(1).

³⁰ See 47 U.S.C. § 54.101(a)(2).

³¹ See e.g., *Farmers Cellular, Inc.*, 18 FCC Rcd 3848, 3852 (2003); *Pine Belt Cellular, Inc. and Pine Belt PCS, Inc.*, 17 FCC Rcd 9589, 9593 (2002); *Western Wireless Corp., Petition for Designation as an Eligible Telecommunications Carrier in the State of Wyoming*, 16 FCC Rcd 48, 52 (2000).

³² See 47 C.F.R. 54.101(a)(3).

4. Single-Party Service or its Functional Equivalent

“Single-party service” means that only one party will be served by a subscriber loop or access line during a telephone communication. Virgin Mobile provides single party service to its customers for the duration of each telephone call, and does not provide multi-party (or “party-line”) services.

5. Access to Emergency Services

Virgin Mobile provides nationwide access to 911 emergency services for all of its customers. Virgin Mobile also complies with the FCC’s regulations governing the deployment and availability of E911-compatible handsets. As noted above, the FCC imposed specific requirements on Virgin Mobile as a condition to its forbearance grant. These conditions include providing Lifeline customers with 911 and E911 access immediately upon commencement of service and regardless of activation status or the availability of prepaid minutes; offering E911-compliant handsets to new Lifeline customers upon activation of service and replacing any non-compliant handsets, at no additional charge, for existing customers who obtain Lifeline service; and obtaining a certification from each PSAP whose territory overlaps with Virgin Mobile’s Lifeline service area confirming that the Company provides its customers with 911 and E911 service. Virgin Mobile commits to abiding by each of these conditions for its Florida Lifeline services.

6. Access to Operator Services

Virgin Mobile provides all of its customers with access to operator services.

7. Access to Interexchange Services

Virgin Mobile also provides its customers with the ability to make interexchange, or long distance, telephone calls. Domestic long distance capabilities are included in Virgin Mobile’s

service offerings at no additional charge, and minutes are not billed separately for local or domestic long distance services.

8. Access to Directory Assistance

All Virgin Mobile customers are able to dial “411” to reach directory assistance services from their wireless handsets for a fee.

9. Toll Limitation for Qualifying Low-Income Consumers

Toll limitation allows customers to block the completion of outgoing long distance calls to prevent them from incurring significant long distance charges and risking disconnection. As described above, Virgin Mobile provides its wireless service on a prepaid, or pay-as-you-go, basis. Virgin Mobile’s service, moreover, is not offered on a distance-sensitive basis and minutes are not charged separately for local or domestic long distance services. Customers also must specifically authorize access for international services, for which additional charges may apply. The nature of Virgin Mobile’s service, therefore, mitigates any concerns that low-income customers will incur significant charges for long distance service that result in disconnection—a conclusion confirmed by the FCC in the *Forbearance Order*.³³

C. Virgin Mobile Will Advertise the Supported Services

Virgin Mobile will advertise the availability and rates for the services described above using media of general distribution as required by section 214(e)(1)(B) of the Communications Act.³⁴ At various times, the Company has advertised the availability of its services through newspapers, magazines, radio, the Internet and billboards. Virgin Mobile’s third-party retail partners also promote its services. These campaigns have been effective in reaching low-income

³³ See *Forbearance Order* at ¶ 34.

³⁴ See 47 U.S.C. § 214(e)(1)(B).

customers and promoting the availability of cost-effective wireless services to this neglected consumer segment.

Virgin Mobile will advertise and promote the availability of its Lifeline offerings to qualifying customers in its service areas in Florida. Virgin Mobile will target locations where consumers receive benefits that make them eligible for Lifeline services, including various state and local social service agencies, to inform customers of the availability of its Lifeline services. The Company will coordinate its efforts with public and private assistance agencies to ensure that the availability of Lifeline services reaches the broadest audience possible. The Company also will develop outreach efforts for non-English speakers, and increase awareness of the Lifeline program at existing third-party retail outlets through distribution of brochures. In addition, Virgin Mobile may market its Lifeline services through its Re*Generation pro-social program, which is a program that connects at-risk youth with young people who want to make a difference through partnerships with innovative not-for-profit organizations. Finally, the Company will promote its Lifeline offerings to its existing customers—many of whom may otherwise qualify for Lifeline—through email and text message campaigns.

D. Virgin Mobile Will Certify and Verify Customer Eligibility

Section 54.410 of the FCC's regulations requires ETCs to certify and verify a Lifeline customer's initial and continued eligibility.³⁵ In accordance with these obligations, Virgin Mobile will require customers to certify their initial eligibility and undertake annual surveys to verify their continued eligibility. The Company will comply with the specific certification and verification procedures imposed by the FCC as a condition to its grant of forbearance. Prior to commencement of service, the Company will require applicants to attest and sign under penalty

³⁵ See 47 C.F.R. § 54.410.

of perjury that they meet the relevant eligibility criteria and that they are head of their household and receive Lifeline-supported service only from Virgin Mobile. Virgin Mobile also will require annual verifications from customers confirming that they are the head of their household and only receive Lifeline service from Virgin Mobile.³⁶ Finally, to participate in the state's automatic enrollment program, the Company will coordinate its activities with the Florida Department of Children and Families and the Commission.

V. DESIGNATION OF VIRGIN MOBILE AS AN ETC WOULD PROMOTE THE PUBLIC INTEREST IN FLORIDA

A. Designation of Virgin Mobile as an ETC Would Further the Universal Service Goals of the Communications Act

One of the principal goals of the Communications Act, as amended by the Telecommunications Act of 1996, is “to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies” to all citizens, regardless of geographic location or income.³⁷ There is no question that limited designation of Virgin Mobile as an ETC in Florida would promote the public interest by providing low-income Florida consumers with more affordable and higher quality wireless services. Many lower-income consumers have not yet reaped the full benefits of the intensely competitive wireless marketplace.³⁸ Whether because of financial constraints, poor credit or intermittent employment, these consumers often lack the countless choices available to most consumers. Designating Virgin Mobile as an ETC in Florida, therefore, would enable the Company to expand the availability of affordable

³⁶ See *Forbearance Order* at ¶ 12.

³⁷ Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56.

³⁸ See *MIT Study* at p.3 (noting that “low-income groups are far less likely to own a cell phone.”).

telecommunications services to qualifying Florida consumers, leading to lower prices and increased choice.

Virgin Mobile's request for limited ETC designation must be examined in light of the Communications Act's goal of providing low-income consumers with access to telecommunications services. Universal service has been a central component of U.S. telecommunications policy since adoption of the Communications Act over 70 years ago. The primary purpose of universal service policy has been to ensure that consumers—especially low-income consumers—receive affordable and comparable telecommunications services. Section 254 of the Communications Act embodies the FCC's historical commitment to the concept of universal service, especially for low-income consumers. Section 254(b) designates the principles upon which the FCC shall base its policies for the promotion and advancement of universal service. These principles require the FCC to ensure that all consumers, including low-income consumers, have access to telecommunications services at comparable and affordable rates.³⁹ Given this background, designating Virgin Mobile as an ETC would advance the fundamental goals of universal service policy by broadening the availability of telecommunications services to low-income Florida consumers—many of whom are the intended beneficiaries of universal service.

Lifeline support is designed to reduce the monthly cost of telecommunications services for lower-income consumers by providing them with significant discounts for service. The FCC has credited the Lifeline program with gradually increasing telephone penetration rates, especially among low-income consumers. Despite the steady rise in penetration rates, however,

³⁹ See 47 U.S.C. § 254. Section 254(b)(3) of the Communications Act requires the FCC to determine whether “consumers in all regions of the Nation, *including low-income consumers* and those in rural, insular, and high cost areas ... have access to telecommunications [services]” [*emphasis added*] 47 U.S.C. § 254(b)(3).

the FCC has noted that “there is more that we can do to make telephone service affordable for more low-income households” and targeted the low Lifeline participation rate as one area for improvement.⁴⁰ To increase awareness of the program, the FCC has expanded the qualifying criteria and adopted broader outreach guidelines, requiring carriers to better advertise the availability of Lifeline services. Through these actions, the FCC has sought to increase Lifeline participation because “improve[d] participation in the Lifeline program . . . would increase telephone subscribership and/or make rates more affordable for low-income households.”⁴¹

Designation of Virgin Mobile as an ETC also would promote competition and spur other carriers to target low-income consumers with service offerings tailored to their needs, greatly benefiting this neglected consumer segment. Virgin Mobile will bring the same entrepreneurial spirit that has reinvigorated the wireless industry to eligible Florida Lifeline customers, helping to redefine the wireless experience for many low-income Florida consumers. Other carriers, therefore, will have the incentive to improve their existing service offerings and tailor service plans with terms and features that appeal to lower-income customers.

Finally, while Virgin Mobile has experienced success in deploying wireless services to low-income consumers, internal Company analysis suggests that many low-income customers still intermittently discontinue service because of economic constraints, and approximately one-half of customers who discontinue service do not select another carrier and must forgo wireless service entirely. ETC designation in Florida would enable Virgin Mobile to offer appealing and affordable service offerings to low-income customers to ensure that they are able to afford

⁴⁰ See *In the Matter of Lifeline and Link-Up*, Report and Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 8302, 8305 (2004) (“*Lifeline Order*”). According to the FCC’s own statistics, only one-third of households eligible for Lifeline assistance actually participated in the program just a few years ago. See *id.*

⁴¹ See *id.* at 8312.

wireless services on a consistent and uninterrupted basis. Providing Virgin Mobile with the authority necessary to offer discounted Lifeline services to those most in danger of losing wireless service altogether undoubtedly promotes the public interest.

B. Virgin Mobile's Participation in the Lifeline Program Would Not Unduly Burden the FUSF

Virgin Mobile's request for designation as an ETC solely for Lifeline purposes would not unduly burden the FUSF or otherwise reduce the amount of funding available to other ETCs. The secondary role of Lifeline support with respect to overall FUSF expenditures is well documented. According to the most recent monitoring report issued by the Federal-State Joint Board on Universal Service, Lifeline funding totaled approximately \$793 million in 2008 while high-cost program expenditures amounted to approximately \$4.4 billion—more than five times the amount of Lifeline funding.⁴² Although many parties have raised concerns over the growth in the FUSF's high-cost program, the Lifeline program has triggered no similar outcry. Virgin Mobile understands the concerns over growth in high-cost expenditures and has participated in the Commission's proceedings addressing these issues. Limited designation of Virgin Mobile as an ETC in Florida, however, raises no similar concerns and any incremental increases in Lifeline expenditures are far outweighed by the significant public interest benefits of expanding the availability of affordable wireless services to low-income Florida consumers.

⁴² See *Universal Service Monitoring Report*, CC Docket 98-202, Tables 2.2 and 3.1 (rel. Dec. 31, 2008).

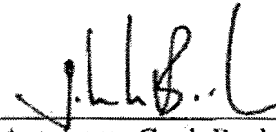
VI. CONCLUSION

As discussed above, designation of Virgin Mobile as an ETC in the State of Florida accords with the requirements of section 214(e)(2) of the Act and is in the public interest.

WHEREFORE, for all of the foregoing reasons, Virgin Mobile respectfully requests that the Commission designate Virgin Mobile as an ETC in the State of Florida.

Respectfully submitted,

VIRGIN MOBILE USA, L.P.



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EXHIBIT A -

VIRGIN MOBILE CERTIFICATION

Declaration of Virgin Mobile USA, L.P.

I, Peter Lurie, do hereby declare under penalty of perjury as follows:

1. I am the General Counsel and Co-Founder of Virgin Mobile USA, L.P., a Delaware Limited Partnership with its principal place of business at 10 Independence Blvd, Warren, NJ 07059.
2. I have read Virgin Mobile's Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of Florida and confirm the information contained therein to be true and correct to the best of my knowledge.
3. I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on April 22, 2009



Peter Lurie
General Counsel and Co-Founder

Subscribed and sworn before me
This 22 day of April 2009.


Notary Public

ELIZABETH E. BLOINK
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires February 27, 2011

EXHIBIT B -

VIRGIN MOBILE COMPLIANCE PLAN

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Federal-State Joint Board on Universal Service)	
)	
Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A))	
)	
Petition for Designation as an Eligible Telecommunications Carrier in the State of New York)	CC Docket No. 96-45
)	
Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia)	
)	
Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of North Carolina)	
)	
Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of Tennessee)	
)	

COMPLIANCE PLAN

I. INTRODUCTION

Virgin Mobile USA, L.P. ("Virgin Mobile" or the "Company"), by undersigned counsel, hereby submits a plan outlining the measures it will undertake to implement the conditions imposed by the Federal Communications Commission ("FCC" or "Commission") in its recent Order granting the Company conditional forbearance from Section 214(e)(1)(A) of the Communications Act of 1934, as amended ("Act"), and designation as an eligible telecommunications carrier ("ETC") in the states of New York, North Carolina, Tennessee and

Virginia.¹ As discussed below, Virgin Mobile submits that the procedures described herein fully satisfy the requirements set forth in the Commission's *Order* and demonstrate the Company's commitment to increase Lifeline consumers' access to public safety services and its dedication to safeguard against misuse of Lifeline-supported service offerings. Rapid approval of this plan will enable the Company to quickly deploy much-needed Lifeline services, helping many lower-income consumers by increasing their alternatives for affordable high-quality wireless telecommunications services during a period of severe economic dislocation and uncertainty that is forcing many lower-income customers to forego wireless service.

II. BACKGROUND

The Commission's *Order* conditionally granted Virgin Mobile's requests for forbearance from the Section 214(e)(1)(A) facilities-based requirement and limited ETC designation for the states of New York, North Carolina, Tennessee and Virginia. In approving the requests, the Commission determined that Virgin Mobile would offer "Lifeline-eligible consumers a choice of providers for accessing telecommunications services not available to such consumers today" and "expand participation of qualifying consumers" in the Lifeline program—a longstanding Commission goal.² In light of these significant public interest benefits, the Commission concluded that the Act's overriding goal of increasing lower-income consumers' access to affordable telecommunications services outweighed the statutory

¹ See *Federal-State Joint Board on Universal Service; In the Matter of Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A); Petitions for Designation as an Eligible Telecommunications Carrier in the States of New York, North Carolina, Pennsylvania, Tennessee and Virginia*, Order, FCC 09-18, (rel. March 5, 2009) ("Order").

² *Order* at ¶¶ 21, 30.

requirement that Virgin Mobile own facilities and warranted forbearance and ETC designation.³

The Commission conditioned its grant of forbearance and ETC designation on Virgin Mobile's compliance with certain requirements aimed at enhancing Lifeline customers' access to public safety services and preventing misuse of the Company's Lifeline offering. These conditions include the following: (a) providing Lifeline customers with 911 and enhanced 911 ("E911") access immediately upon commencement of service and regardless of activation status or the availability of prepaid minutes; (b) offering E911-compliant handsets to new Lifeline customers upon activation of service and replacing any non-compliant handsets, at no additional charge, for existing customers who obtain Lifeline service; (c) obtaining a certification from each Public Service Answering Point ("PSAP") whose territory overlaps with Virgin Mobile's Lifeline service area confirming that the Company provides its customers with 911 and E911 service or if, within 90 days of a request for certification, a PSAP has neither provided the certification nor affirmatively determined that Virgin Mobile does not provide its customers with access to 911 and E911, self-certifying that Virgin Mobile meets the 911 and E911 requirements; (d) requiring customers to self-certify under penalty of perjury upon service activation and annually thereafter that they are the head of their household and receive Lifeline-supported service only from Virgin Mobile; and, (e) establishing applicable safeguards to prevent its customers from activating multiple Lifeline accounts, including tracking each Lifeline customer's primary residential address.⁴ The Commission required Virgin Mobile to

³ See Order at ¶ 29.

⁴ See Order at ¶ 12.

submit a plan describing the measures it would undertake to implement each of these conditions within thirty days of the release of the *Order*.⁵

III. IMPLEMENTING PROCEDURES

Virgin Mobile commends the Commission's commitment to ensuring that lower-income consumers receive meaningful access to the full spectrum of emergency calling services available to other wireless consumers. The Company's marketplace success is testament to the principle that wireless carriers can provide lower-income customers with the same features, functionalities and services demanded by higher-income consumers. Consistent with the *Order's* requirements, the procedures described below will ensure that all Virgin Mobile Lifeline customers receive 911 and E911 services and compliant handsets upon their activation of service and will continue to receive such services without regard to the availability of prepaid minutes or change in activation status.

The Company also shares the Commission's concerns regarding potential abuse of Lifeline services by consumers who attempt to activate multiple Lifeline-supported accounts at the same address. For too long, the Lifeline program has been linked to accusations of waste and fraud, hindering its appeal to carriers and policymakers. Indeed, various parties raised these same issues in their attempts to derail Virgin Mobile's requests for forbearance and limited ETC designation.⁶ The customer certification and verification procedures described below should deter these practices to the ultimate benefit of all Lifeline customers.

⁵ *See id.*

⁶ *See e.g., Federal-State Joint Board on Universal Service; In the Matter of Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A); Petitions for Designation as an Eligible Telecommunications Carrier in the States of New York, North Carolina, Pennsylvania, Tennessee and Virginia, Reply Comments of the National Association of State Utility Consumer Advocates at p.2 (filed April 15, 2008).*

A. Access to 911 and E911 Services

The Commission's *Order* required Virgin Mobile to provide its Lifeline customers with access to 911 and E911 services immediately upon activation of service.⁷ To demonstrate compliance with this condition, Virgin Mobile must obtain a certification from each PSAP in whose territory the Company will provide Lifeline service confirming that its customers receive 911 and E911 services. If within 90 days of Virgin Mobile's request, a PSAP has neither provided the certification nor made an affirmative determination that the Company does not provide 911 and E911 services in the applicable territory, the *Order* allowed Virgin Mobile to self-certify that it meets the requirements.⁸

Virgin Mobile can ensure the Commission that all Lifeline customers will have meaningful access to emergency calling services, including 911 and E911, at the time the customer activates Lifeline service, and that such access will continue regardless of the customer's account status or the availability of prepaid minutes. The *Order's* requirements accord with the Company's existing practices because, in accordance with Section 20.18(m) of the Commission's regulations, the Company currently provides access to 911 and E911 services to the extent that these services have been deployed by Sprint Nextel.⁹ Virgin Mobile also currently enables 911 emergency calling services for all properly activated handsets regardless of whether the account associated with the handset is active, suspended or terminated. Finally, the Company transmits all 911 calls initiated from any of its handsets even if the account associated with the handset has no minutes remaining.¹⁰

⁷ See *Order* at ¶ 12.

⁸ See *Order* at ¶ 22.

⁹ See 47 C.F.R. § 20.18(m).

¹⁰ See 47 C.F.R. § 20.18(b).

To satisfy the *Order's* conditions regarding 911 and E911 services, Virgin Mobile will implement the following measures prior to deploying Lifeline services in a given area. Initially, the Company will confirm that Sprint Nextel has deployed E911 services in a specific PSAP territory. Virgin Mobile will obtain the requisite certification from each PSAP where it provides Lifeline service confirming that its customers receive 911 and E911 services.¹¹ If within 90 days of receiving the Company's request, a PSAP has neither provided such certification nor made an affirmative finding that Virgin Mobile does not provide 911 and E911 services in the PSAP's territory, Virgin Mobile will self-certify that it meets the basic and E911 requirements. Finally, Virgin Mobile is willing to provide sample Lifeline handsets to any requesting PSAP for testing purposes and make handset technicians available for questions regarding Virgin Mobile's E911 services. Virgin Mobile submits that implementation of these procedures will ensure that all Lifeline customers have access to 911 and E911 service immediately upon their activation of service and throughout their ownership of a Virgin Mobile Lifeline handset.

B. E911-Compliant Handsets

The Commission also conditioned its grant of forbearance and limited ETC designation on Virgin Mobile providing only E911-compliant handsets to its new Lifeline customers and replacing, at no additional charge to the customer, any non-compliant handsets owned by existing customers who obtain Lifeline-supported service.¹² To implement this requirement, the Company will ensure that all handsets used in connection with the Lifeline service offering will be E911 compliant. For Lifeline customers new to Virgin Mobile's service, the Company

¹¹ A form of this PSAP certification request is attached hereto as Exhibit A.

¹² See *Order* at ¶ 23.

will ship an E911-compliant handset to the address provided by the customer during service activation. For existing customers who elect, and are eligible, to participate in the Lifeline service offering, Virgin Mobile customer care personnel will identify the customer's current handset during the service activation process. If the handset currently used by the customer is not E911 compliant, Virgin Mobile will ship a replacement E911-compliant handset to the customer at no additional charge.

C. Certification of Lifeline Customers' Eligibility.

To safeguard against misuse of the Lifeline service plan, the *Order* expressly required Virgin Mobile to have "direct contact with the consumer, whether by telephone, fax, Internet, in-person consultation or otherwise, when establishing initial and continued eligibility."¹³ The Commission also directed Virgin Mobile to have its Lifeline customers self-certify under penalty of perjury upon service activation and annually thereafter that they are the head of their household and only receive Lifeline-supported service from Virgin Mobile.¹⁴

In accordance with the *Order's* requirements, Virgin Mobile's website will contain a link to information regarding the Company's Lifeline service plan, including a detailed description of the program and state-specific eligibility criteria. At third-party retail outlets, Virgin Mobile will provide consumers with materials describing the Lifeline plan, including eligibility requirements and instructions for enrollment. Materials distributed at third-party outlets will direct consumers to contact the Company via a dedicated toll-free number or the Company's Lifeline website to receive additional information and to call the toll-free number to apply for service. Consistent with the *Order's* requirements, these procedures will ensure

¹³ *Order* at ¶ 26.

¹⁴ *See Order* at ¶ 12.

that the Company's retail partners play no role in the Lifeline application process other than to provide customers with materials describing the service plan and to direct customers to the Company's Lifeline toll-free number or website.

Consumers will be required to call a toll-free number to complete an application over the phone. The application then will be mailed to the customer for signature under penalty of perjury and the submission of supporting documentation.¹⁵ The signed application and support documentation must be mailed to the address provided by the Company. As noted above, customers will not be permitted to submit completed applications to retailers. Processing of consumers' applications, including review of all application forms and relevant documentation, will be performed under Virgin Mobile's supervision by managers experienced in the administration of the Lifeline program.

In addition, the Lifeline application form will include an applicant certification section where each applicant must attest and sign under penalty of perjury that the applicant meets the relevant eligibility criteria.¹⁶ For states with program-based eligibility criteria, the application will list each of the qualifying programs, and applicants will be required to identify the program(s) in which they participate. For states with income-based eligibility criteria, applicants will be required to certify under penalty of perjury that their household income does not exceed the relevant threshold (*e.g.*, 135 % of the Federal Poverty Guidelines for federal default states) and will be required to provide proof of income-based eligibility. Applicants also will be required to certify under penalty of perjury that they are head of their household and receive Lifeline-supported service only from Virgin Mobile.

¹⁵ A form of the Lifeline application is attached hereto as Exhibit B.

¹⁶ As required by the Commission's *Order*, the penalties for perjury will be clearly stated on the certification form. *See Order* at ¶ 25. *See Exhibit B*.

To track applicants' primary residential address, Virgin Mobile will require all applicants to provide their name, residential address and alternate telephone number (if any) during the activation process. Virgin Mobile will incorporate this information into its Lifeline account management system. The Company will check the name and address of each Lifeline applicant against its internal account management system to confirm that a Virgin Mobile Lifeline account has not already been activated for that address or individual. Virgin Mobile also will confirm that the address provided by the applicant is an actual U.S. postal address through the use of address validation software. If a name or address submitted by a Lifeline applicant is associated with a customer that already receives Virgin Mobile Lifeline service or the address provided is not a valid U.S. postal address, Virgin Mobile will review the application to ascertain whether the customer is attempting to activate multiple Virgin Mobile Lifeline accounts. The Company will deny the Lifeline application of any such individual and advise the applicant of the basis for the denial. Finally, Virgin Mobile will submit an annual report to the Commission detailing any instances of fraud or misuse of Virgin Mobile's Lifeline Offering to permit the Commission to monitor the effectiveness of the *Order's* conditions.

D. Verification of Lifeline Customers' Eligibility.

As required by the Commission's *Order*, Virgin Mobile will verify on an annual basis that each Lifeline customer is the head of their household and only receives Lifeline service from Virgin Mobile.¹⁷ To this end, the Company will notify each Lifeline consumer via text message prior to their service anniversary date that the customer must confirm his or her continued eligibility in accordance with the applicable requirements. These customers will be

¹⁷ These verification procedures are in addition to the customer continued eligibility verification requirements already required by the Commission's regulations for federal default states and any similar state regulations for non-federal default states. See 47 C.F.R. § 54.410(c).

directed to Virgin Mobile's website where they will need to verify that they are the head of household and only receive Lifeline service from Virgin Mobile. Customers will be able to complete the verification form online or return it via U.S. mail. Receipt of a customer's annual verification will be a prerequisite for the customer's continued eligibility for Lifeline-supported services. If customers do not verify their eligibility within 30 days of receipt of the verification notice, they will be removed from the program.

IV. CONCLUSION

Virgin Mobile submits that the procedures described herein fully satisfy the conditions established by the Commission in its *Order* granting forbearance and limited ETC designation to the Company. Implementation of these procedures should ensure that Lifeline customers have meaningful access to 911 and E911 services while safeguarding against misuse of the Company's Lifeline services. Accordingly, Virgin Mobile respectfully requests that the Commission expeditiously approve Virgin Mobile's compliance plan so that the Company may commence the deployment of much-needed Lifeline services as quickly as possible.

Respectfully submitted,

/s/

VIRGIN MOBILE USA, L.P.

Peter Lurie

General Counsel and Co-Founder

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EXHIBIT A -
PSAP CERTIFICATION REQUEST

April __, 2009

Public Safety Answering Point Coordinator
[ADDRESS]

Re: Request for PSAP Certification for Lifeline Participation

Dear PSAP Coordinator:

This is to inform you that Virgin Mobile USA, L.P. ("Virgin Mobile") has been designated an Eligible Telecommunications Carrier ("ETC") by the Federal Communications Commission ("FCC") for the purpose of offering reduced-cost service to low-income customers in the State of [State] under the federal Lifeline program. (See attached FCC Order 09-18 released March 5, 2009.)

Lifeline ensures that low-income customers have access to quality telephone service at a reasonable, affordable rate. To that end, Lifeline support reduces eligible customers' monthly service charges by \$10 or more per month. Presently, only about one-third of households eligible for Lifeline assistance actually subscribe to the program. Virgin Mobile is pleased to count itself among the wireless carriers offering Lifeline service to low-income customers, particularly during these difficult economic times.

As a condition to approving Virgin Mobile to offer Lifeline service, the FCC required, among other things, that Virgin Mobile: (1) offer 911 and E911 access to its customers immediately upon activation of service; and (2) provide its new Lifeline customers with E911-compliant handsets and replace at no charge non-compliant handsets of its existing customers who subscribe to Lifeline service. The FCC further required that Virgin Mobile seek certification from each Public Safety Answering Point ("PSAP") in whose service area Virgin Mobile intends to offer Lifeline service confirming that Virgin Mobile provides its customers with 911 and E911 access. Virgin Mobile is seeking this certification from your PSAP based on the information provided in this letter and any additional information you may request.

Virgin Mobile's wireless services operate on the Sprint Nextel Corp. ("Sprint") network. Sprint provides the nationwide wireless backbone for Virgin Mobile's service, including all network infrastructure and wireless transmission facilities. Sprint also routes all 911

and E911 calls originated by Virgin Mobile customers to the applicable PSAP in the same manner as it routes its own retail customers' emergency calls.

As you may be aware, Sprint has completed the deployment of facilities necessary for it to offer Phase I and/or II E911 services in your service area, providing Sprint and Virgin Mobile customers with 911 and E911 access. Virgin Mobile's Lifeline customers will enjoy this same access to 911 and E911 service once activated for service. As required by the FCC, all Virgin Mobile Lifeline handsets will comply with applicable federal requirements governing the provision of 911 and E911 service. Virgin Mobile will provide new Lifeline customers with E911-compliant handsets and, for existing Virgin Mobile customers who subscribe to Lifeline service, Virgin Mobile will verify that their handsets are E911 compliant or replace the handset at no charge to the customer.

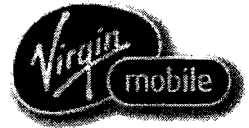
For your convenience, enclosed is a certification form for your review and signature as PSAP Coordinator. Please return the signed certification form in the self-addressed stamped envelope. As required by the FCC, Virgin Mobile will keep the certification on file in the event the FCC seeks to review this documentation. **If within 90 days of receipt of this letter, you do not provide the certification or make an affirmative determination that Virgin Mobile does not provide 911 and E911 service in your area, Virgin Mobile is permitted by the FCC to self-certify compliance with the requirements for 911 and E911 access for this PSAP. (See FCC Order 09-18 at para. 22.)**

Should you have any questions about the foregoing or wish to request a test handset, please contact us at virginmobilelifeline@virginmobileusa.com. Please be sure to include your name and address in the email.

Thank you in advance for your cooperation and for enabling Virgin Mobile to offer Lifeline service to low-income customers in your PSAP jurisdiction.

Sincerely,

Virgin Mobile USA, L.P.



**Virgin Mobile Lifeline Program
PSAP Certification Form**

State of _____

PSAP Name: _____

PSAP Coordinator Name: _____

Business Address: _____

PSAP Jurisdiction Description: _____

In my capacity as the Coordinator for the Public Safety Answering Point ("PSAP") described above, I am responsible for the implementation of 911 and Enhanced 911 ("E911") service in accordance with the rules and regulations of the Federal Communications Commission ("FCC").

I have been informed by Virgin Mobile USA, L.P. ("Virgin Mobile") that, by Order dated March 4, 2009, the FCC has designated Virgin Mobile as an Eligible Telecommunications Carrier ("ETC") pursuant to Section 214(e)(6) of the Communications Act of 1934, as amended (47 U.S.C. § 214(e)(6)), for the limited purpose of providing Lifeline service in [State], among other states. I have further been informed that the FCC's designation of Virgin Mobile as an ETC is subject to certain conditions, including a condition that Virgin Mobile obtain a certification from each PSAP where it will offer Lifeline service that Virgin Mobile Lifeline customers will have 911 and E911 access immediately upon activation of service.

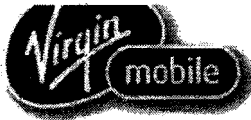
In connection with its request for certification by this PSAP, Virgin Mobile has provided certain information. I have been informed by Virgin Mobile that its wireless service operates on the Sprint Nextel Corp. ("Sprint") network. Virgin Mobile has indicated that Virgin Mobile Lifeline customers will have the same access to E911 services as retail customers of Sprint. In addition, Virgin Mobile has represented that its Lifeline handsets will comply with the FCC Order requiring that the handsets be capable of accessing 911 and E911 service regardless of activation status or availability of prepaid airtime.

Upon information and belief, in my capacity as PSAP Coordinator, I hereby certify that Virgin Mobile has provided evidence that it is complying with the FCC requirement that it provide customers with access to basic and E911 service immediately upon activation of Lifeline service.

Dated:

Signature of PSAP Coordinator

**EXHIBIT B –
LIFELINE APPLICATION**



[State Name] Lifeline Application

IF YOU HAVE QUESTIONS ABOUT THIS FORM PLEASE CALL PHONE 1-888-898-4888 or TTY 1-XXX-XXX-XXXX

Please verify your eligibility:

- 1. You may use either Section B or Section C to qualify
2. Sign and date the form in Section D
3. Attach documents to support your eligibility listed in Section B or C
4. Mail the application to Virgin Mobile Lifeline, PO Box 100 Artesia, CA 90702

A. PERSONAL INFORMATION

The person below MUST BE the same person applying for the discount. Please do not forget to sign the application below in Section D.

«First_Nm» «Middle_Ini» «Last_Nm»
«Service_Address_Line_1»
«Service_Address_Line_2»
«Service_City», «Mailing_State_Cd» «Zip_Cd»

B. PROGRAM-BASED ELIGIBILITY

Fill in all bubbles for all program(s) the person in Section A is currently enrolled. For the National School Lunch and Head Start programs, a household dependent enrolled in the program satisfies the enrollment requirement.

- Medicaid
Food Stamps
Supplemental Security Income (SSI) (Not the same as Social Security Benefits)
Temporary Assistance to Needy Families (TANF)
Federal Public Housing Assistance (FPHA)
Low-Income Energy Assistance Program (LIHEAP)
National School Lunch Program's Free Lunch Program

You must attach a copy of a program identification card or other social service agency document that shows you currently participate in one of the programs listed above. (Supporting documentation will NOT be returned)

- OR -

C. INCOME-BASED ELIGIBILITY

Calculate TOTAL household income by reporting the income of all adult persons residing in your home in the appropriate category:

Table with Household Size and Maximum Yearly Income columns. Includes a list of income sources to attach proof of and a note that supporting documentation will not be returned.

D. SIGNATURE

BY SIGNING BELOW, I CERTIFY UNDER PENALTY OF PERJURY THAT THE INFORMATION CONTAINED WITHIN THIS APPLICATION IS TRUE AND CORRECT AND THAT I AM HEAD OF MY HOUSEHOLD AND ONLY RECEIVE LIFELINE SERVICE FROM VIRGIN MOBILE.

I UNDERSTAND THAT COMPLETION OF THIS APPLICATION DOES NOT CONSTITUTE IMMEDIATE APPROVAL FOR THE VIRGIN MOBILE LIFELINE PROGRAM. I AUTHORIZE VIRGIN MOBILE USA OR ITS DULY APPOINTED REPRESENTATIVE TO ACCESS ANY RECORDS (INCLUDING FINANCIAL RECORDS) REQUIRED TO VERIFY MY STATEMENTS HEREIN AND TO CONFIRM MY ELIGIBILITY FOR THE VIRGIN MOBILE LIFELINE PROGRAM.

I UNDERSTAND THAT I MAY BE REQUIRED TO VERIFY MY CONTINUED ELIGIBILITY FOR LIFELINE AT ANY TIME. FAILURE TO VERIFY ELIGIBILITY WILL RESULT IN TERMINATION OF THE VIRGIN MOBILE LIFELINE PROGRAM. IN THE FUTURE, IF MY TOTAL HOUSEHOLD INCOME EXCEEDS 135% OF THE FEDERAL POVERTY GUIDELINES, OR I AM NO LONGER ELIGIBLE TO RECEIVE BENEFITS FROM AT LEAST ONE OF THE QUALIFYING PUBLIC ASSISTANCE PROGRAMS LISTED ABOVE, I WILL NOTIFY VIRGIN MOBILE USA WITHIN FIVE (5) DAYS.

I UNDERSTAND THAT LIFELINE IS ONLY AVAILABLE FOR ONE LANDLINE OR WIRELESS PHONE LINE PER HOUSEHOLD. IF I CURRENTLY HAVE A LIFELINE PLAN WITH A DIFFERENT PHONE SERVICE PROVIDER, I WILL NOTIFY MY CURRENT PROVIDER WHEN I AM APPROVED FOR THE VIRGIN MOBILE LIFELINE PROGRAM.



Signature
Printed Name

Date



EXHIBIT C -

LIST OF ILECS

INCUMBENT LOCAL EXCHANGE CARRIERS

Non-Rural:

BellSouth Telecommunications, Inc. d/b/a AT&T Florida d/b/a AT&T Southeast
Verizon Florida LLC

Rural:

Embarq Florida, Inc.
Frontier Communications of the South, LLC
GTC, Inc. d/b/a FairPoint Communications
ITS Telecommunications Systems, Inc.
Northeast Florida Telephone Company d/b/a NEFCOM
Quincy Telephone Company d/b/a TDS Telecom/Quincy Telephone
Smart City Telecommunications, LLC d/b/a Smart City Telecom
Windstream Florida, Inc.