

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

| | | |
|--|---|----------------------------|
| In the Matter of the Petition of |) | DOCKET UT-100203 |
| |) | |
| VIRGIN MOBILE USA, L.P., |) | ORDER 01 |
| |) | |
| |) | ORDER GRANTING THE |
| |) | EXEMPTION FROM PROVISIONS |
| |) | OF WAC 480-123-030(1)(d), |
| For an Exemption from WAC 480-123- |) | INVESTMENT PLAN, AND |
| 030(1)(d) and Designation as an Eligible |) | DESIGNATION AS AN ELIGIBLE |
| Telecommunications Carrier |) | TELECOMMUNICATIONS |
| |) | CARRIER |
| |) | |

INTRODUCTION AND BACKGROUND

- 1 On February 1, 2010, Virgin Mobile USA, L.P. (Virgin Mobile or Company) filed a petition with the Washington Utilities and Transportation Commission (UTC or Commission) requesting designation as an Eligible Telecommunications Carrier (ETC) pursuant to Section 214 (e)(2) of the Communications Act of 1934, as amended (the Act), and Washington Administrative Code (WAC) 480-123-030. Virgin Mobile seeks ETC designation in Washington for the purpose of providing its pre-paid Lifeline service to qualified low-income households. It will only seek the Lifeline portion (Tier One to Tier Three) of low-income support from the federal Universal Service Fund, which subsidizes eligible low-income households' monthly charges for basic telephone services. Virgin Mobile does not seek the Link-Up support, which subsidizes the non-recurring connection fee for basic telephone services. Virgin Mobile seeks ETC designation only for service areas where its parent company, Sprint Nextel Corporation (Sprint Nextel), has facility coverage (Appendix A). Virgin Mobile does not seek to participate in the state Lifeline program, Washington Telephone Assistance Program (WTAP).
- 2 Virgin Mobile filed two supplements to its original petition on August 12, 2010 and November 1, 2010, respectively. The two supplements clarify details of the Company's Lifeline offering. In the second supplement, the Company also informs the Commission that it revised the Lifeline rate plan to increase the customer benefits and offer two more pre-paid options for Lifeline customers to purchase additional minutes.
- 3 Virgin Mobile's ETC petition received one written comment. On October 25, 2010, TracFone Wireless, Inc. (TracFone) filed a letter, advising the Commission that all wireless ETCs similar to TracFone should be subject to the same requirements as those that have been imposed on TracFone. Specially, TracFone emphasizes the importance of non-usage requirements and procedures by which TracFone de-enrolls a Lifeline customer if the customer has no usage over 60 consecutive days. It encourages the

Commission to require all ETCs that provide free minutes of airtime to comply with the same non-usage procedure.

- 4 The Commission has jurisdiction over ETC petitions. Section 214 (e) of the Act authorizes state regulatory commissions to designate a qualified common carrier as an ETC for the purpose of receiving federal Universal Service Fund.¹ By rule, WAC 480-123-040, the Commission has the authority to approve petitions from carriers requesting ETC designation. The Commission's authority to grant or deny petitions for ETC designation includes the authority to impose conditions.²

DISCUSSION

Virgin Mobile and its Lifeline Offering

- 5 Virgin Mobile was a joint venture between Sprint Nextel Corporation (Sprint Nextel) and Virgin Group. On November 24, 2009, Virgin Mobile became a wholly owned subsidiary of Sprint Nextel. The Virgin Mobile brand offers prepaid wireless services using the Sprint Nextel wireless network nationwide. Virgin Mobile was designated by the Federal Communications Commission (FCC) as an ETC to receive federal Lifeline support in New York, North Carolina, Tennessee and Virginia.³ It has also obtained Lifeline-only ETC designation from state regulatory commissions in Florida, Louisiana, Maryland, Michigan, Mississippi, New Jersey, Texas and West Virginia.
- 6 In the initial petition, Virgin Mobile proposes to offer its prepaid Lifeline service under the brand name "Assurance Wireless Brought To You By Virgin Mobile."⁴ The Company will provide a free cell phone handset and 200 anytime prepaid minutes each month at no charge to eligible Lifeline customers. In addition to free voice services, customers will have access to standard features at no additional charges including voice mail, caller ID and call waiting.
- 7 On August 12, 2010, Virgin Mobile filed the first supplement to its petition. The supplement clarifies several details of its Lifeline offering, including the rate of \$0.10 for each additional minute and \$0.10 for each additional text message, E911-compatible handsets, free 911 calls and free customer service calls, and the Lifeline customer enrollment procedure. The Company also reaffirms that it is able to remain functional in emergency situations.

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

² UT-093012, *In the Matter of the Petition of TracFone Wireless, Inc. for Exemption from WAC 480-123-030(1)(d),(f) and (g); and Designation as an Eligible Telecommunications Carrier for the Purpose of Receiving Lifeline Support from the Federal Universal Service Fund (UTC TracFone Proceeding)*, Order 03 (Dated June 24, 2010), ¶78.

³ *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 (released March 5, 2009) (FCC Forbearance Order on Virgin Mobile).

⁴ The official website for Virgin Mobile's Wireless Lifeline program is <http://www.assurancewireless.com/>.

8 On November 1, 2010, Virgin Mobile filed another supplement to its petition. It informs the commission that it revised the Lifeline plan to offer eligible customers 250 free voice minutes each month and commits to offer no less than 250 free voice minutes each month until the commission recertifies its ETC designation. Virgin Mobile will also provide two additional pre-paid options by which a Lifeline customer can purchase blocks of additional services. The first option offers a block of 250 additional voice minutes for \$5; the second option offers a block of 750 additional minutes and 1000 text messages for \$20.⁵ In the same supplement, the Company states that it will implement an annual verification procedure consistent with the FCC's forbearance requirement. It also clarifies that it does not offer a tribal Lifeline plan different from its standard Lifeline plan at this time and will not seek Tier Four Lifeline support from the federal Universal Service Fund.⁶

Federal ETC Requirements

9 Staff reviewed Virgin Mobile's petition and finds it qualifies for ETC designation if the designation is accompanied with proposed conditions specified in Appendix B. As specified in 47 U.S.C. § 214(e)(2), state commissions may designate additional carriers as ETCs if such designation is "consistent with the public interest, convenience, and necessity" and the carrier seeking designation as an ETC meets the two requirements of 47 U.S.C. § 214(e)(1):

(A) offer the services that are supported by federal universal service support mechanisms under section 254(c), either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another eligible telecommunications carrier); and

(B) advertise the availability of such services and the charges therefore using media of general distribution.⁷

10 Virgin Mobile demonstrates in its petition and supplements that it is capable of delivering telecommunications services supported by the federal Universal Service Fund and that it will advertise the services via media of general distribution. Virgin Mobile's Lifeline plan will positively benefit low-income consumers in Washington. Staff recommends additional conditions to ensure the Company will provide Lifeline services in a manner consistent with the public interest. The proposed conditions are also consistent with the ETC designation conditions the commission imposed on TracFone.⁸

⁵ The blocks of minutes purchased under these two options will expire at the end of the customer's 30-day service cycle.

⁶ Residents of tribal lands will be able to enroll in Virgin Mobile's standard Lifeline program. Virgin Mobile will seek approval from the commission prior to commencing an enhanced Lifeline plan for tribal customers and seeking Tier Four Lifeline support for tribal customers.

⁷ 47 U.S.C. § 214(e)(2). See also 47 C.F.R. § 54.201(d).

⁸ UT-093012, *UTC TracFone Proceeding*, Order 03 (Dated June 24, 2010) and Order 05 (Dated October 13, 2010).

Washington State ETC Requirements and Exemption from the Requirement of an Investment Plan

- 11 Virgin Mobile's petition meets all but one requirement specified in WAC 480-123-030. WAC 480-123-030(1)(d) requires all ETC applicants to provide a substantive plan of the investments to be made with initial federal support during the first two years in which support is received and a substantive description of how those expenditures will benefit customers. The Company seeks exemption from this requirement because it is intended to be relevant to ETCs that receive high cost funds. Virgin Mobile only seeks Lifeline support. The Company is expected to pass the Lifeline credits to Lifeline customers and expand Lifeline enrollment, but the Company will not be expected to use the support to invest in facilities. Therefore, staff recommends the commission grant Virgin Mobile's request to be exempted from WAC 480-123-030(1)(d).

FCC Forbearance Conditions on Virgin Mobile's ETC Designation

- 12 In 2007, Virgin Mobile petitioned the FCC to forbear from the requirement under section 214(e)(1)(A) of the Act that a carrier designated as an ETC must provide services, at least in part, over its own facilities. The FCC granted the forbearance conditioned upon the same set of requirements as it imposed on TracFone. Those conditions include providing 911 and enhanced 911(E911) regardless of activation status and availability of prepaid minutes; providing E911-compliant handsets; obtaining a certification from each Public Safely Answering Point on 911 capability; requiring customers to self-certify on their eligibility; and establishing safeguard to prevent more than Lifeline account at the same address.⁹
- 13 Virgin Mobile states that when it petitioned for the forbearance and ETC designation from the FCC, it was a Mobile Virtual Network Operator who did not have its own facilities. At the time, it was purchasing Sprint Nextel's network capacity under a wholesale contract. However, since being acquired by Sprint Nextel in November 2009, it has become a wholly owned and fully integrated subsidiary of Sprint Nextel. It has the beneficial use of Sprint Nextel affiliates' property and is under direct operational and financial management from Sprint. Based on the Company's current status as a facility-based wireless carrier, it does not require forbearance from the own-facility requirement in Section 214(e)(1)(A) of the Act. Thus, the FCC's forbearance conditions should no longer be applied.
- 14 Staff agrees with Virgin Mobile's position that it is now a facility-based wireless carrier, just like other Sprint Nextel subsidiaries. The FCC forbearance conditions, which were imposed to mitigate the non-facility deficiency prior to the merger between Sprint Nextel and Virgin Mobile, should not apply in this case. After examining the Company's petition and supplements, staff finds that Virgin Mobile has, in essence, met all the forbearance conditions. Therefore, the Commission no longer needs to explicitly impose the FCC forbearance conditions in this Order.

⁹ FCC Forbearance Order on Virgin Mobile, pp.6-7, ¶12.

Washington State Conditions on Virgin Mobile's ETC Designation

- 15 Virgin Mobile's proposed pre-paid Lifeline plan is very similar to TracFone's. Therefore, staff recommends the commission impose the same set of conditions in the TracFone proceeding, as modified, on Virgin Mobile's ETC designation.¹⁰ Staff notes that these conditions were proposed on TracFone's ETC designation not just because of TracFone's status as a wireless reseller. Rather, they intend to address staff's concerns on various aspects of public interest, especially with regard to pre-paid offering. The main concern is that prepaid wireless Lifeline programs offer a monthly allotment of minutes at no cost to customers, which may lead to potential fraud, waste and abuse of the federal Universal Service Fund. Without relevant conditions, the existing federal certification and verification procedures on pre-paid wireless Lifeline customers' eligibility may not be sufficient to ensure the integrity of the federal Lifeline program. Other public interest considerations are reflected on conditions with regard to collaboration with the state E911 administrator, procedures dealing with potential cessation of business, number conservation and general rule compliance. Therefore, the same set of conditions should also be imposed on Virgin Mobile's ETC designation because the rationale underlying each condition is applicable in this proceeding.¹¹

Impact on the Universal Service Fund

- 16 FCC states in its forbearance order that it does not "expect designating Virgin Mobile as a Lifeline ETC will significantly burden the Universal Service Fund and thus negatively affect consumers through increased pass-through charges of the carriers' contribution obligations...Any increase in the size of the fund would be minimal and is outweighed by the benefit of increasing eligible participation in the Lifeline program, furthering the statutory goal of providing access to low-income consumers."¹²
- 17 Staff considers Virgin Mobile's Lifeline plan is a valuable addition to the currently available wireless Lifeline plans. Like TracFone's pre-paid offer, it especially meets the needs of some Lifeline customers who value mobility of phone services and have relatively low usage. The participation rate in the Lifeline program is still low. Designating Virgin Mobile as an ETC will facilitate the competition in the market segment that serves low-income population and benefit the families in need.

FINDINGS AND CONCLUSIONS

- 18 (1) The Commission has jurisdiction over eligible telecommunications carriers in Washington and the subject matter of this Order pursuant to 47 U.S. C. § 214(e)(2), 47 C.F.R. §§ 54.201(b)-(c) and WAC 480-123-040.

¹⁰ UT-093012, *UTC TracFone Proceeding*, Modified Settlement Agreement (Dated October 26, 2010).

¹¹ For detailed discussion of conditions on TracFone's ETC designation, see UT-093012, *UTC TracFone Proceeding*, Staff Memo for the November 25, 2009 Open Meeting, UTC TracFone Orders 03 and Order 05.

¹² *FCC Forbearance Order on Virgin Mobile*, pp.11-12, ¶24.

- 19 (2) Virgin Mobile currently provides service in the exchanges listed in the Appendix A to this Order. The Company offers all services that are to be supported by the federal universal service support mechanisms set forth in 47 U.S.C. § 254(c) and 47 C.F.R. § 54.101(a).
- 20 (3) Subject to the conditions in this Order, Virgin Mobile meets the requirements for ETC designation under 47 U.S. C. § 214(e)(1), 47 C.F.R. § 54.201(d) and WAC 480-123-030.
- 21 (4) The Commission finds that granting the Company’s petition for an exemption from the requirement of submitting an investment plan in WAC 480-123-030(1)(d) is consistent with the public interest, the purposes underlying regulation, and applicable statutes.
- 22 (5) The Commission finds that granting the Company’s petition for designation as an Eligible Telecommunications Carrier for the limited purpose of receiving federal Lifeline support, subject to the conditions in this Order, will advance the purposes of universal service found in 47 U.S.C. § 254. The designation will benefit low-income households in Washington. The designation is in the public interest and should be granted subject to the conditions set forth in Appendix B to this Order.
- 23 (6) The Commission should retain jurisdiction over the subject matter and the parties to effectuate the terms of this Order.

ORDER

THE COMMISSION ORDERS:

- 24 (1) The Commission grants the petition of Virgin Mobile USA, L.P. for an exemption from WAC 480-123-030(1)(d) which requires an ETC applicant to provide a substantive two-year plan of the investments to be made with initial federal support and the associated customer benefits.
- 25 (2) The Commission grants the petition of Virgin Mobile USA, L.P. for designation as an Eligible Telecommunications Carrier for the limited purpose of receiving Lifeline support (Tier One to Tire Three) from the federal Universal Service Fund in service areas specified in Appendix A to this Order. The designation is subject to the conditions set forth in Appendix B to this Order.
- 26 (3) Virgin Mobile USA, L.P. must comply with applicable federal laws and regulations on ETC obligations and requirements.

- 27 (4) Virgin Mobile USA, L.P. must comply with Washington state rules on ETC obligations and requirements set forth in WAC 480-123.
- 28 (5) The Commission retains jurisdiction over the subject matter and the parties to this proceeding.
- 29 (6) The Commission has authority to modify, suspend, or revoke Virgin Mobile USA, L.P.'s ETC designation granted in this Order at a future date.

DATED at Olympia, Washington, and effective November 10, 2010.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

Appendix A

Virgin Mobile USA L.P.
Areas for Eligible Telecommunications Carrier Designation

| <u>INCUMBENT LOCAL EXCHANGE CARRIER</u> | <u>EXCHANGE</u> |
|---|-----------------|
| ASOTIN TELEPHONE CO. | |
| | ANATONE |
| | ASOTIN |
| CENTURYTEL OF COWICHE, INC. | |
| | COWICHE |
| | RIMROCK |
| | TIETON |
| CENTURYTEL OF INTER-ISLAND, INC. | |
| | BLAKELY ISLAND |
| | EAST SOUND |
| | FRIDAY HARBOR |
| | LOPEZ |
| CENTURYTEL OF WASHINGTON, INC. | |
| | AMES LAKE |
| | ARLETTA |
| | ASHFORD |
| | BASIN CITY |
| | CARNATION |
| | CATHLAMET |
| | CHENEY |
| | CHINOOK |
| | CONNELL |
| | COULEE CITY |
| | CURTIS |
| | EDWALL-TYLER |
| | ELTOPIA |
| | EUREKA |
| | FALL CITY |
| | FORKS |
| | GIG HARBOR |
| | HARRINGTON |
| | HUMPTULIPS |
| | KAHLOTUS |

| <u>INCUMBENT LOCAL EXCHANGE CARRIER</u> | <u>EXCHANGE</u> |
|--|------------------------|
| | KETTLE FALLS |
| | KINGSTON |
| | LAKEBAY |
| | LIND |
| | MATHEWS CORNER |
| | MCCLEARY |
| | MEDICAL LAKE |
| | MESA |
| | MONTESANO |
| | MORTON |
| | NORTH BEND |
| | OCEAN PARK |
| | OCOSTA |
| | ODESSA |
| | ORTING |
| | OTHELLO |
| | PACKWOOD |
| | PUGET ISLAND |
| | RANDLE |
| | REARDAN |
| | RITZVILLE-BENGE |
| | SOUTH PRAIRIE |
| | SPANGLE |
| | SPRAGUE |
| | TWISP |
| | VADER |
| | VASHON |
| | WASHTUCNA |
| | WILSON CREEK |
| ELLENSBURG TELEPHONE CO. | |
| | ELLENSBURG |
| FRONTIER COMMUNICATIONS NORTHWEST INC. | |
| | ACME-DEMING-WHATCOMCTY |
| | ALGER |
| | ANACORTES |
| | ARLINGTON |
| | BENTON CITY |

| <u>INCUMBENT LOCAL EXCHANGE CARRIER</u> | <u>EXCHANGE</u> |
|--|------------------------|
| | BIG LAKE |
| | BLAINE-BIRCH BAY-GTLD |
| | BOTHELL |
| | BURLINGTON |
| | CAMAS-WASHOUGAL |
| | CASHMERE |
| | CHELAN |
| | CONCRETE |
| | CONWAY |
| | CUSTER-GTLD |
| | DEMING-WHATCOMCTY |
| | EDISON |
| | ENTIAT |
| | EVERETT |
| | EVERSON-GTLD |
| | FAIRFIELD |
| | FERNDALE-GTLD |
| | GARFIELD |
| | GEORGE |
| | GRANITE FALLS |
| | GRAYLAND |
| | HALLS LAKE |
| | KENNEWICK |
| | KIRKLAND |
| | LA CONNER |
| | LATAH |
| | LAUREL-WHATCOMCTY |
| | LEAVENWORTH |
| | LYMAN-HAMILTON |
| | LYNDEN |
| | MANSFIELD |
| | MAPLE FALLS |
| | MARBLEMOUNT |
| | MARYSVILLE |
| | MONROE |
| | MOUNT VERNON |
| | NACHES |

| <u>INCUMBENT LOCAL EXCHANGE CARRIER</u> | <u>EXCHANGE</u> |
|--|------------------------|
| | NEWPORT |
| | NILE |
| | OAK HARBOR |
| | PALOUSE |
| | PULLMAN |
| | QUINCY |
| | RICHLAND |
| | RICHMOND BEACH |
| | ROCKFORD |
| | ROSALIA |
| | SEDRO WOOLLEY |
| | SEDRO WOOLLEY-CONTEL |
| | SILVER LAKE |
| | SKYKOMISH |
| | SNOHOMISH |
| | SOAP LAKE |
| | STANWOOD |
| | STEVENS PASS |
| | SULTAN |
| | SUMAS-GTLD |
| | TEKOA |
| | WATERVILLE |
| | WENATCHEE |
| | WESTPORT |
| HOOD CANAL TELEPHONE CO. | |
| | UNION |
| INLAND TELEPHONE CO. | |
| | DEWATO |
| | PRESCOTT |
| | ROSLYN |
| | UNION TOWN |
| KALAMA TELEPHONE CO. | |
| | KALAMA |
| LEWIS RIVER TELEPHONE CO., INC. | |
| | LA CENTER |
| MASHELL TELECOM, INC. | |
| | EATONVILLE |

| <u>INCUMBENT LOCAL EXCHANGE CARRIER</u> | <u>EXCHANGE</u> |
|--|------------------------|
| MCDANIEL TELEPHONE CO. | |
| | MOSSYROCK |
| | ONALASKA |
| | SALKUM |
| PIONEER TELEPHONE CO. | |
| | ENDICOTT |
| QWEST CORPORATION | |
| | ABERDEEN-HOQUIAM |
| | AUBURN |
| | BAINBRIDGE ISLAND |
| | BATTLE GROUND |
| | BELFAIR |
| | BELLEVUE |
| | BELLINGHAM-GTLD |
| | BLACK DIAMOND |
| | BREMERTON |
| | BUCKLEY |
| | CASTLE ROCK |
| | CENTRALIA |
| | CHEHALIS |
| | CLE ELUM |
| | COLFAX |
| | COLVILLE |
| | COPALIS |
| | DEER PARK |
| | DES MOINES |
| | EASTON |
| | ELK |
| | ENUMCLAW |
| | EPHRATA |
| | GRAHAM |
| | GREEN BLUFF |
| | HOODSPORT |
| | ISSAQUAH |
| | KENT |
| | LIBERTY LAKE |
| | LONGVIEW-KELSO |

| <u>INCUMBENT LOCAL EXCHANGE CARRIER</u> | <u>EXCHANGE</u> |
|--|------------------------|
| | LOON LAKE |
| | MAPLE VALLEY |
| | MOSES LAKE |
| | NEWMAN LAKE |
| | OLYMPIA |
| | OTHELLO |
| | PATEROS |
| | PORT ANGELES |
| | PORT LUDLOW |
| | PORT ORCHARD |
| | PORT TOWNSEND |
| | PUYALLUP |
| | RENTON |
| | RIDGEFIELD |
| | ROCHESTER |
| | ROY |
| | SEATTLE |
| | SEQUIM |
| | SHELTON |
| | SILVERDALE |
| | SPOKANE |
| | SPRINGDALE |
| | SUMNER |
| | TACOMA |
| | TACOMA WAVERLY |
| | VANCOUVER |
| | WAITSBURG |
| | WARDEN |
| | WINLOCK |
| | YAKIMA |
| ST. JOHN TELEPHONE CO. | |
| | ST JOHN |
| TENINO TELEPHONE CO. | |
| | TENINO |
| TOLEDO TELEPHONE CO., INC. | |
| | TOLEDO |
| UNITED TELEPHONE - NORTHWEST | |

| <u>INCUMBENT LOCAL EXCHANGE CARRIER</u> | <u>EXCHANGE</u> |
|--|------------------------|
| | CHIMACUM-CENTER |
| | COLUMBIA |
| | DALLESFORT |
| | GOLDENDALE |
| | GRANDVIEW |
| | GRANGER |
| | HARRAH |
| | HOOD CANAL |
| | LYLE |
| | MABTON-BICKLETON |
| | MATTAWA |
| | PATERSON |
| | PORT ANGELES-GARDINER |
| | POULSBO |
| | PROSSER |
| | ROOSEVELT |
| | STEVENSON |
| | TOPPENISH-ZILLAH |
| | TROUT LAKE |
| | WAPATO |
| | WHITE SALMON |
| | WHITE SWAN |
| | WHITSTRAN |
| | WILLARD |
| WESTERN WAHKIAKUM COUNTY TELEPHONE CO. | |
| | GRAYS RIVER |
| | NASELLE |
| WHIDBEY TELEPHONE CO. | |
| | POINT ROBERTS |
| | SOUTH WHIDBEY |
| YCOM NETWORKS, INC. | |
| | YELM |

Appendix B

Washington State Conditions on Designation of Virgin Mobile as an Eligible Telecommunications Carrier

1. Virgin Mobile's designation as an Eligible Telecommunications Carrier (ETC) shall be for an interim period of one year from the effective date of the Commission's Order approving such designation, subject to Commission review. Before the end of one year after the effective date of the Order, Virgin Mobile may seek to renew its designation pursuant to WAC 480-123-030 through -040. Virgin Mobile's designation for the interim period shall continue until the Commission's decision to the designation.
2. Within 30 days of approval of its ETC designation in Washington and prior to offering Lifeline services, Virgin Mobile must make a compliance filing for approval by the Commission containing the following:
 - a. Virgin Mobile's Lifeline rate plans, terms and conditions. The rates, terms and conditions shall include all provisions that apply to the Lifeline services offered by Virgin Mobile in Washington state and detailed procedures explaining how customers can participate in a particular Lifeline plan.
 - b. Virgin Mobile's proposed language to be used in all advertising of Lifeline services and on its websites. The language shall include information directing customers to the Washington State Office of the Attorney General for complaints regarding any Lifeline service issues.
 - c. Virgin Mobile's Lifeline Customer Application Form.

Commission Staff shall review Virgin Mobile's compliance filing and recommend to the Commission whether it should be approved or rejected within ten business days. Virgin Mobile shall not offer Lifeline services until the Commission has approved its compliance filing.

3. Virgin Mobile shall file with the Commission any future changes to its rates, terms, or conditions at least one day prior to the effective date of the change.
4. The information on Virgin Mobile's rates, terms and conditions shall be provided in a package sent to Lifeline customers after enrollment in Virgin Mobile's Lifeline program, as well as at Virgin Mobile's official Lifeline websites.
5. Virgin Mobile shall also provide Lifeline customers with the choice of all other rate plans available to its regular customers.

6. During this interim period (i.e., the time until the Commission issues an order recertifying Virgin Mobile's ETC designation for Lifeline services), Virgin Mobile must offer a minimum of 250 minutes. The Company may invoke Condition No. 3 only for the purpose of increasing the number of minutes in the Lifeline plan.
7. Virgin Mobile shall deactivate an Assurance Wireless account if the customer has no usage for 60 consecutive days. No fewer than eight business days before deactivation, Virgin Mobile shall send the customer a written notice by mail about the potential deactivation and ways to avoid unwanted deactivation. The customer shall have a 30 day grace period from the deactivation date to reactivate the Assurance Wireless account by making a call. When a customer reactivates the account, the customer will be able to use the allotment of free minutes deposited into the customer's account by Virgin Mobile.
8. On a quarterly basis beginning with the quarter ending on December 31, 2010, Virgin Mobile shall provide the number of Lifeline customers that it enrolls each month. Virgin Mobile shall also report the number of deactivated Lifeline customers each month by service plan and the reasons for deactivation (e.g., no usage for 60 consecutive days, annual verification unsuccessful, or voluntary exit). Quarterly reports shall be filed with the Commission no later than 30 days after the end of each quarter.
9. Virgin Mobile shall respond within 30 days to Commission Staff's information requests on Virgin Mobile's Lifeline operations, including but not limited to Lifeline customers' usage patterns and Lifeline customer records.
10. Virgin Mobile shall cooperate with the Commission and the Department of Social and Health Services (DSHS) to work out a procedure to verify Virgin Mobile Lifeline customers' eligibility.
11. Virgin Mobile must not deduct airtime minutes for calls to customer care made from the customer's handset by dialing 611. Virgin Mobile shall explicitly state the policy of free 611 calls in its Lifeline service agreements. Virgin Mobile may require the customer to call the toll-free customer care number from another phone if necessary to resolve technical issues related to the handset or its programming.
12. By March 31 of each year, Virgin Mobile shall file with the Commission its complete Lifeline customer records of the prior calendar year. The customer records are subject to review of the Commission and DSHS. The records must have all the necessary information and be in an electronic format required by DSHS. After the Commission and DSHS notify Virgin Mobile of the results of the review, Virgin Mobile must take appropriate measures to either correct the customer records or stop providing services to ineligible customers and report the resolutions to the agencies within 60 days of the notice.

13. Virgin Mobile shall provide the Commission a copy of its annual Lifeline Verification survey results that it files with the Universal Service Administration Company (USAC) by August 31 of each year.
14. Virgin Mobile shall file with the Commission, by March 31 of each year, a report on the number of complaints, categorized by the different nature of complaints, that it received from Washington Lifeline customers during the prior calendar year (e.g., billing disputes and service quality complaints). This report shall include complaints filed with Virgin Mobile, the Commission's Consumer Protection and Communications Section, the Washington State Office of the Attorney General, and the Federal Communications Commission (FCC). The Commission reserves the rights to revoke Virgin Mobile's ETC designation if Virgin Mobile fails to provide reasonable quality of service.
15. Virgin Mobile shall cooperate with the Washington State Enhanced 911 Program (E911) and all Public Safety Answering Points on E911 issues and shall, upon request, designate a representative to serve as a member or alternate member of the Washington State E911 Advisory Committee or its Communications Sub-committee.
16. Virgin Mobile shall participate in the Washington State E911 Program's "What's Your Location" public information campaign if the E911 Program requests the participation of wireless carriers.
17. Virgin Mobile shall collaborate with the Washington State E911 Program to test the compatibility of its handsets with the new Emergency Service Information Network in Washington, including supplying handsets representative of Virgin Mobile's proprietary software and technical assistance should call delivery discrepancies be discovered.
18. Virgin Mobile shall comply with rules on cessation of business as specified in WAC 480-120-083.
 - a. Prior to cessation of business, Virgin Mobile shall make arrangements with its underlying carriers to provide minutes already sold to customers under the same terms and conditions it has with the customers, or provide refunds to the existing customers.
 - b. Virgin Mobile shall provide written notice to the following persons at least 30 days in advance of cessation of service:
 - i. The Commission;
 - ii. The state 911 program;
 - iii. Each of its customers;
 - iv. The national number administrator.

- c. The notice to the Commission and the state 911 program must include the same information required by WAC 480-120-083 (3).
 - d. The notice to the customers must include the same information required by WAC 480-120-083 (4).
 - e. The notice to the national number administrator must include the same information required by WAC 480-120-083 (7).
 - f. Virgin Mobile shall file with the Commission at least 30 days in advance of its cessation of business and request the relinquishment of its ETC designation in Washington.
19. Virgin Mobile shall collect and maintain necessary records and documentation to ensure its compliance with the applicable FCC and Commission requirements, including existing requirements and any future modifications. The records and documentation shall be provided to Commission staff upon request.
20. Virgin Mobile shall cooperate with Commission staff on phone number conservation issues and shall comply with 47 C.F.R. §52.
21. Virgin Mobile shall comply with all applicable federal and Washington state statutes and regulations.