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January 29, 2010

VIA OVERNIGHT DELIVERY

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Washington Utilities and Transportation Commission
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Olympia, WA 98504-7250

2010 FEB -1 AM 8:45
STAMPED RECEIPT
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Dear Mr. Danner:

On behalf of Virgin Mobile USA, L.P., enclosed are an original and twelve (12) copies of a Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of Washington. Please date-stamp the extra copy of this filing, and return it in the self-addressed, postage-prepaid envelope provided.

Should you have any questions regarding this filing, please do not hesitate to contact the undersigned at 202-371-7392.

Respectfully submitted,

John M. Beahn

Counsel to Virgin Mobile USA, L.P.

Enclosures

**Before the
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

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

Docket No. UT-100203

**PETITION FOR LIMITED DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER**

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January 29, 2010

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SUMMARY

Virgin Mobile USA, L.P. (“Virgin Mobile” or the “Company”), a wholly owned subsidiary of Sprint Nextel Corporation (“Sprint Nextel”), is seeking designation as an Eligible Telecommunications Carrier (“ETC”) in the State of Washington, pursuant to section 214(e)(2) of the Communications Act of 1934, as amended (“Act”), for purposes of offering prepaid wireless services supported by the Universal Service Fund’s (“USF”) Lifeline program. As discussed herein, Virgin Mobile meets all of the necessary requirements for ETC designation under section 214(e)(1) of the Act to offer services supported by the Lifeline program. Designation of the Company would promote the public interest because it would provide qualifying Washington customers with lower prices and higher quality wireless services. Many low-income customers in Washington have yet to benefit from the intensely competitive wireless market because of financial constraints, poor credit history or intermittent employment and many existing customers lose access to wireless services when their financial position deteriorates as a consequence of losing a job, a medical condition or any other adverse event—all unfortunately too common during a challenging economic period. Virgin Mobile’s prepaid service offerings are ideally suited to provide these customers with reliable and free wireless services. As an ETC, Virgin Mobile would be able to provide affordable services to these consumers—many of whom are among the intended beneficiaries of USF support.

**Before the
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

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| In the Matter of |) | |
| |) | |
| Virgin Mobile USA, L.P. |) | Docket No. _____ |
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| Petition for Limited Designation as an |) | |
| Eligible Telecommunications Carrier |) | |
| _____ |) | |

**PETITION FOR LIMITED DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER**

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 (“Act”), 47 U.S.C. § 214(e)(2), and Section 480-123-030 of the Washington Administrative Code, WASH. ADMIN. CODE § 480-123-030, hereby petitions the Washington Utilities and Transportation Commission (“Commission”) for designation as an eligible telecommunications carrier (“ETC”) in the State of Washington. Virgin Mobile seeks ETC designation in Washington only for purposes of participation in the Universal Service Fund’s (“USF”) Lifeline program. The instant request does not seek ETC designation to offer services supported by the high-cost program. As more fully described below, Virgin Mobile satisfies the requirements for designation as an ETC in the State of Washington. Rapid grant of Virgin Mobile’s request, moreover, would advance the public interest because it would enable the Company to commence much needed Lifeline services to lower-income Washington residents as soon as possible. Accordingly, the Company respectfully requests that the Commission expeditiously approve the instant ETC designation petition.

II. BACKGROUND

A. Company Overview

Virgin Mobile was established as a joint venture between Sprint Nextel and Sir Richard Branson's Virgin Group to offer prepaid wireless services using the Virgin Mobile brand and the nationwide Sprint network.¹ The Company's innovative prepaid plans without annual contracts, along with its differentiated service offerings and high-quality customer service, have redefined the prepaid wireless marketplace and brought significant competition to the overall wireless market. Virgin Mobile's value proposition enables customers to select among an array of flexible service plans that allow them to pay for minutes as they use them or purchase monthly buckets of minutes in advance. The Company also offers text and multimedia messaging and an array of mobile entertainment and information services, including music, games and graphics on all handsets.

Unlike many carriers, Virgin Mobile does not impose credit checks or long-term service contracts as a prerequisite to obtaining service. Many customers are from lower-income backgrounds and did not previously enjoy access to an attractive, comprehensive and high-quality wireless service because of financial constraints or poor credit history. Virgin Mobile estimates that approximately one-third of its present 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. By marketing and expanding 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

¹ On November 24, 2009, Virgin Mobile became a wholly owned subsidiary of Sprint Nextel upon completion of the companies' previously announced transaction. The FCC approved Sprint Nextel's acquisition of Virgin Mobile effective September 11, 2009. See *International Authorizations Granted*, Public Notice, DA 09-2071 (rel. Sept. 17, 2009).

access to wireless services. Unfortunately, during this challenging economic period, many existing customers have to forgo access to wireless services entirely when their financial position deteriorates, making it more difficult for prospective employers and dependent family members to reach them and losing wireless access to emergency services.

B. Previous ETC Designations

The Federal Communications Commission (“FCC”) previously designated Virgin Mobile as an ETC for purposes of offering Lifeline services in the states of New York, North Carolina, Tennessee and Virginia.² In approving the Company’s requests, the FCC 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 goal.³ In light of these significant benefits, the FCC concluded that limited designation of Virgin Mobile as an ETC was in the public interest.⁴

At that time, Virgin Mobile operated as a mobile virtual network operator that did not own any network facilities, so the *Order* granted the Company’s request for forbearance from enforcement from the section 214(e)(1)(A) facilities-based requirement for ETC designation. The FCC conditioned its grant of forbearance, as well as its grant of ETC designation, on Virgin Mobile’s

² 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*”). Virgin Mobile has also been designated an ETC in the State of Michigan. See *In the Matter of the Application of Virgin Mobile USA, L.P. for Designation as an Eligible Telecommunications Carrier Pursuant to Section 214(e) of the Telecommunications Act of 1996*, Case No. U-15966, Opinion and Order (Dec. 1, 2009).

³ *Order* at ¶¶ 21, 30.

⁴ See *Order* at ¶ 29.

compliance with certain requirements aimed at enhancing Lifeline customers' access to public safety services and preventing misuse of the Company's Lifeline offering.⁵ 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 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.⁶ The FCC recently approved the Company's plan describing the measures it would undertake to implement each of these conditions for the first four states in which it received ETC designation.⁷

⁵ It is worth noting that Virgin Mobile has remitted E911 fees in Washington since 2003.

⁶ See *Order* at ¶ 12.

⁷ 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, DA 09-2344 (rel. Oct. 29, 2009).

C. The Commission Has the Authority to Perform ETC Designations

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 with the “primary responsibility” for the designation of ETCs.⁸ Pursuant to this authority, the Commission has historically participated in determining whether to grant ETC status to an applying carrier, including any requesting wireless carrier.⁹ Under the Act, a state public utility commission 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 federal USF and advertising the availability of such services, Virgin Mobile currently meets all of the requirements of section 214 of the Act, warranting its designation as an ETC by the Commission.

III. VIRGIN MOBILE REQUESTS ETC DESIGNATION IN ITS WASHINGTON SERVICE AREA FOR PARTICIPATION IN THE LIFELINE PROGRAM

A. Virgin Mobile Requests Statewide ETC Designation

As a non-rural carrier, Virgin Mobile is required to describe the areas within which it requests ETC designation. The Company requests ETC designation for its entire service area in Washington.¹⁰ Virgin Mobile understands that its service area overlaps with many rural carriers in Washington, but maintains that the public interest factors described below justify its designation in these carriers’ service areas, especially because it only seeks ETC designation for purposes of participating in the Lifeline program. Virgin Mobile’s authorized service area covers the service territories of the following non-rural telephone companies:

⁸ 47 U.S.C. § 214(e)(2).

⁹ See *In the Matter of the Petition of RCC Minnesota, Inc. d/b/a Cellular One for Designation as an Eligible Telecommunications Carrier, Order Granting Petition for Designation as an Eligible Telecommunications Carrier*, Docket No. UT-023033 (Aug. 14, 2002).

¹⁰ A list of the wire centers for which Virgin Mobile requests ETC designation is attached hereto as Exhibit 2.

Qwest Communications Company, LLC
Verizon Northwest, Inc.

Virgin Mobile's authorized service area covers the service territories of the following rural telephone companies:

Westgate Communications LLC d/b/a Weavtel
Beaver Creed Telephone Company
M&L Enterprises d/b/a Skyline Telephone
United Telephone Company of the Northwest d/b/a CenturyLink
Asotin Telephone Company d/b/a TDS Telecom
CenturyTel of Cowiche, Inc. d/b/a CenturyLink
CenturyTel of Washington, Inc. d/b/a CenturyLink
Ellensburg Telephone Company d/b/a Fairpoint Communications
Hat Island Telephone Company
Pen Oreille Valley Network, Inc. d/b/a POVN
Hood Canal Telephone Co., Inc. d/b/a Hood Canal Communications
Inland Telephone Company
Kalama Telephone Company
Lewis River Telephone Company d/b/a TDS Telecom
McDaniel Telephone Company d/b/a TDS Telecom
Mashell Telecom, Inc. (T441) d/b/a Ranier Connect or The Ranier Group
Pioneer Telephone Company
St. John, Co-operative Telephone and Telegraph Company
Tenino Telephone Company]
Toledo Telephone Company Inc.
Western Wahkiakum County Telephone Company
Whidbey Telephone Company d/b/a Whidbey Telecom
YCOM Networks, Inc. d/b/a Fairpoint Communications

B. Virgin Mobile Requests ETC Designation for Participation in the Lifeline Program

Virgin Mobile requests ETC designation in Washington for the sole purpose of participating in the Lifeline program as a prepaid wireless carrier. Virgin Mobile will not seek to provide services supported by the USF's high-cost program. As more fully described below, the instant request to participate in the Lifeline program promotes the goals of universal service and offers many benefits to low-income customers in the State of Washington. The Lifeline services provided by Virgin Mobile will contain many features specifically designed for qualifying customers. Indeed, Virgin

Mobile's Lifeline plans will provide affordable and convenient wireless services to qualifying Washington customers, many of whom are otherwise unable to afford wireless services.

Because Virgin Mobile is seeking ETC designation only for purposes of participating in the Lifeline program, it respectfully submits that the Commission exempt it from the requirement that it provide a substantive plan of the investments it will make using USF funds.¹¹ This requirement applies to carriers that seek high-cost support to fund investments to their networks. Accordingly, Virgin Mobile has no basis for filing an investment plan and should be exempt from the requirement.

C. Description of Prepaid Lifeline Offering

Virgin Mobile has branded its prepaid Lifeline service "Assurance Wireless Brought To You By Virgin Mobile." The service will provide customers with the same features and functionalities enjoyed by all other Virgin Mobile prepaid customers, with one notable exception: prepaid Lifeline services will be free of charge. Under the current plan, eligible customers will receive 200 anytime prepaid minutes per month at no charge with additional service priced at \$0.20/minute and \$0.10/text message.¹² In addition to free voice services, prepaid 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. New customers may elect to receive a free Assurance Wireless-branded handset with E911 functionality. Current Virgin Mobile customers will be able to use their existing handsets to receive prepaid Lifeline services, or may elect to receive a free Assurance Wireless handset.

¹¹ See WASH. ADMIN. CODE § 480-123-030(1)(f).

¹² Virgin Mobile expects that the Company's Lifeline plan may change as the wireless market evolves. As such, the Company requests that the Commission's grant of ETC designation provide it with the requisite authority to modify the parameters of the offering as marketplace conditions develop.

D. Applicability of Forbearance Conditions

As noted above, the FCC's *Order* granting Virgin Mobile forbearance from the section 214(e)(1)(A) requirements imposed certain conditions on the Company. Included among these conditions was a requirement that the Company obtain a certification from each PSAP whose territory overlaps with Virgin Mobile's 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-certify that it meets the 911 and E911 requirements. This condition generally arose from the Company's status as a non-facilities-based provider of wireless services. Virgin Mobile appreciates the FCC's desire to ensure that Lifeline customers of wireless resellers have meaningful access to emergency services. As the FCC has noted, the provision of 911 and E911 services is critical to the ability of emergency services personnel to promptly respond to a host of crises.¹³ For these reasons, Virgin Mobile voluntarily committed to complying with this condition for the initial four states in which it received ETC authority from the FCC, and the Company has complied with the condition upon commencement of Lifeline services in these states.

In light of the recent acquisition by Sprint Nextel, Virgin Mobile respectfully submits that the foregoing condition regarding PSAP certification is inapplicable to the instant request of Virgin Mobile as a facilities-based provider. Virgin Mobile is unaware of any prior ETC designation involving a facilities-based wireless provider in which the FCC or the Commission has imposed a similar condition. The FCC itself noted in its *Order* that the conditions related to emergency

¹³ See *Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. §214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, Order, 20 FCC Rcd 15095, 15099 (2005).

services, including the PSAP certification requirement, applied only to wireless resellers.¹⁴

Applicability of this condition to a facilities-based wireless provider would hinder the broader deployment of Lifeline services—without any attendant benefits for consumers. Indeed, by adding an unnecessary and burdensome requirement, the condition would serve only to harm customers by increasing the costs and delays associated with the deployment of wireless Lifeline services.

Complying with this condition in the states where Virgin Mobile has launched Lifeline service has imposed significant cost on the Company, forcing it to redirect financial resources that otherwise would have been used to develop and market its Lifeline services. Accordingly, Virgin Mobile respectfully submits that application of the prior condition related to PSAP certification to the instant request would harm the public interest.

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

Section 214(e)(1) of the Act and section 54.201(d) of the FCC’s rules provide that applicants for ETC designation must be common carriers that will offer all of the services supported by the USF, either using their own facilities or a combination of their own facilities and the resale of another carrier’s services. Applicants must also commit to advertise the availability and rates of such services.¹⁵ As detailed below, Virgin Mobile satisfies each of the above-listed requirements.

A. Virgin Mobile Is a Common Carrier

Section 153(10) of the Act defines a common carrier as “any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio ...”¹⁶ The FCC has determined on numerous occasions that providers of mobile wireless services shall be treated as

¹⁴ See Order at ¶¶ 22, 27.

¹⁵ See 47 U.S.C. § 214(e)(1) and 47 C.F.R. § 54.201(d).

¹⁶ 47 U.S.C. § 153(10).

common carriers for regulatory purposes. As a provider of wireless telecommunications services, therefore, Virgin Mobile is a common carrier eligible for designation as an ETC.

B. Virgin Mobile Will Provide the Supported Services

As described above, Virgin Mobile is a wholly owned subsidiary of Sprint Nextel. Accordingly, Virgin Mobile is capable of, and currently provides, the supported services over an existing network infrastructure in Washington. Virgin Mobile's request for ETC designation complies with section 214(e)(1) of the Act because it provides all of the services and functionalities supported by the universal service program as set forth in section 54.101 of the FCC's regulations throughout its service territory in the State of Washington. The Company, moreover, will make these services and functionalities available to any qualifying Washington customer in the Company's service area.

1. Voice Grade Access to the Public Switched Telephone Network

Virgin Mobile provides voice grade access to the public switched telephone network ("PSTN") and offers its customers services at bandwidth rates between 300 and 3,000 MHz as required by the FCC's regulations.¹⁷

2. Local Usage

As part of the voice grade access to the PSTN, an ETC must provide local calling services to its customers. The FCC's regulations do not require ETCs to offer a specific amount of local usage or mandate that ETCs provide a minimum number of free local calls or minutes. Instead, an applicant for ETC designation must demonstrate that it offers a local usage plan that is "comparable"

¹⁷ See 47 U.S.C. § 54.101(a)(1).

to the plan offered by the ILEC in the relevant service territory.¹⁸ In analyzing whether an ETC applicant's plan is comparable to the underlying ILEC's, the FCC reviews all aspects of the plan on a case-by-case basis, including the nature of the supported service, the size of the local calling area, the inclusion of additional services (e.g., caller I.D., etc.) and the amount of local usage.¹⁹ The FCC has determined that a carrier satisfies the local usage requirements when it offers customers rate plans containing varying amounts of local usage.²⁰

Virgin Mobile's proposed Lifeline offering fully complies with the local usage requirements established by the FCC. Not only will Virgin Mobile's offering be comparable to the underlying ILEC plans, but it also will exceed them in several respects. Contrary to the ILECs' plans, Virgin Mobile will offer customers a certain amount of service free of charge. As discussed above, Virgin Mobile will provide its Lifeline customers with approximately 200 anytime minutes per month at no charge. Contrary to the ILEC plans, which contain relatively small local calling areas, Virgin Mobile customers can use these free minutes to place calls statewide (or even nationwide) because Virgin Mobile does not constrict customers' use by imposing a local calling area requirement. In addition to free voice services, Virgin Mobile will provide Lifeline customers with access to a variety of other features at no cost, including voice mail, caller I.D., call waiting services and enhanced 911 ("E911") capabilities. Most important, Virgin Mobile's Lifeline service will provide low-income Washington residents with the convenience and security offered by wireless services without interruption—even if their financial position deteriorates.

¹⁸ 47 C.F.R. § 54.202(a)(4).

¹⁹ See *Federal-State Joint Board on Universal Service*, Report and Order, 20 FCC Rcd 6371, 6385 (2005).

²⁰ 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).

3. DTMF Signaling or its Functional Equivalent

Virgin Mobile provides dual tone multi-frequency (“DTMF”) signaling to expedite the transmission of call set up and call detail information throughout its network. All wireless handsets offered for sale by the Company are DTMF-capable.

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 transmission. Virgin Mobile provides the functional equivalent of single-party service to its wireless 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.

6. Access to Operator Services

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

7. Access to Interexchange Services

Virgin Mobile’s service 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 with no additional charges because minutes for local or long distance services are not billed separately at different rates.

8. Access to Directory Assistance

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

9. Toll Limitation

Toll limitation allows customers to either block the completion of outgoing long distance calls or specify a certain amount of toll usage 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 FCC determined in its previous grant of ETC designation that the nature of Virgin Mobile’s service mitigates concerns that low-income customers will incur significant charges for long distance calls, risking disconnection of their service.²¹

C. Functionality in Emergency Situations

As a wholly owned subsidiary of Sprint Nextel, Virgin Mobile is able to remain functional in emergency situations as required by section 54.202(a)(2) of the FCC’s regulations and section 480-123-030(1)(g) of the Commission’s rules.²² Sprint Nextel has established a variety of internal programs, policies and teams dedicated to analyzing, assessing and responding to emergency situations. These programs, policies and teams ensure the timely and effective deployment of Sprint Nextel’s products and services to allow the public and private sectors to function in emergency

²¹ See Order at ¶ 34.

²² See 47 C.F.R. § 54.202(a)(2); WASH. ADMIN. Code § 480-123-030(1)(g).

situations. Indeed, Sprint's network is monitored 24 hours a day, 7 days a week, 365 days a year by its network monitoring centers. Local switching offices staffed by trained technicians and management coordinate with these larger operation centers, to ensure that Sprint's networks are properly maintained and network performance is at expected levels.

In addition, Sprint has reasonable amounts of back-up power to ensure functionality without an external power source, and has implemented reasonable practices to reroute traffic around damaged facilities and manage traffic spikes resulting from emergency situations. Each cell site in the Sprint network is equipped with battery back-up power. The company also is capable of rerouting traffic around damaged facilities. Many cell sites in the Sprint network provide overlapping coverage for neighboring areas, and such design redundancy ensures that coverage continues in the event of damage to a particular facility. In the event of a major failure of a cell site, neighboring sites could be adjusted to provide coverage to a wider service area. These practices significantly reduce the chance that emergencies, fiber cuts or equipment failure will result in a loss of service.

D. Advertising of Supported Services

Virgin Mobile will advertise the availability and rates for the services described above using media of general distribution in conformance with the regulations of the FCC.²³ The Company advertises the availability of its services through newspapers, magazines, radio, the Internet, billboards and television. Virgin Mobile's third-party retail partners also heavily promote its services. These advertising campaigns have been highly effective in reaching low-income customers and promoting the availability of cost-effective wireless services to this consumer segment.

Virgin Mobile will supplement these methods of communication to specifically advertise and promote the availability of its Lifeline offerings to qualifying customers throughout the State of

²³ See 47 C.F.R. § 54.201.

Washington. In addition, Virgin Mobile may market its Lifeline services through its RE*Generation pro-social initiative, 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. The Company also will heavily promote these offerings to its existing customers—many of whom may otherwise qualify for Lifeline—through email and text messages.

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

One of the principal goals of the 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.²⁴ There is no question that designation of Virgin Mobile as an ETC in Washington will further the public interest by providing Washington consumers, especially low-income consumers, with lower prices and higher quality services. Many lower-income customers in Washington have yet to reap the full benefits of the intensely competitive wireless market. Whether because of financial constraints, poor credit history or intermittent employment, these consumers often lack the countless choices available to most consumers. Designating Virgin Mobile as an ETC in Washington, therefore, will enable it to expand the availability of affordable telecommunications services to qualifying Washington customers, leading to lower prices and increased choice.

The instant request for ETC designation must be examined in light of the Act’s goals of providing low-income consumers with access to telecommunications services. The primary purpose of universal service is to ensure that consumers—especially low-income consumers—receive

²⁴ Telecommunications Act of 1996, Pub. L. No. 104-104, 110 Stat. 56.

affordable and comparable telecommunications services, which a study found to be a vital economic resource for low-income consumers that leads to improved wage levels and personal safety.²⁵ Given this context, designating Virgin Mobile as an ETC would benefit Washington consumers, especially its many low-income consumers eligible for Lifeline services. The Company's participation in the Lifeline program also undoubtedly would increase opportunities for it to serve Washington customers with appealing and affordable service offerings.

Designation of Virgin Mobile as an ETC would also promote competition and increase the pressure on other carriers to target low-income consumers with service offerings tailored to their needs, greatly benefiting this much ignored consumer segment. Virgin Mobile will bring the same entrepreneurial spirit that has reinvigorated the wireless industry to the Washington Lifeline market, helping to redefine the wireless experience for many low-income consumers in the state. Other carriers, therefore, will have the incentive to improve their existing service offerings and tailor service plans to contain service terms and features appealing to lower-income customers.

Virgin Mobile's Lifeline customers will receive the same high-quality wireless services provided to all Company customers. 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

²⁵ See Sullivan, "A Review of Literature and Data from Two New Surveys," April 2008.

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.²⁶ Virgin Mobile annually certifies its compliance with the Consumer Code, and the FCC has recognized the value of such compliance.²⁷ In prior years, the Company has also 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.

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. ETC designation in Washington would enable Virgin Mobile to offer appealing and affordable service offerings to low-income Washington customers to ensure that they are able to afford wireless services on a consistent and uninterrupted basis. Without question, prepaid wireless services have become essential 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, social service agencies or dependents.²⁸ 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.

²⁶ Virgin Mobile’s compliance with the Consumer Code also satisfies its obligations under the Commission’s rules and the FCC’s regulations. *See* WASH. ADMIN. CODE. § 480-123-030(1)(h); 47 C.F.R. § 54.202(a)(3).

²⁷ *See Federal-State Joint Board on Universal Service Virginia Cellular, LLC Petition for Designation as an Eligible Telecommunications Carrier In the Commonwealth of Virginia*, Memorandum Opinion and Order, 19 FCC Rcd 1563, 1576-77, wherein the FCC endorsed the Consumer Code by considering adherence to the Consumer Code as a factor in the demonstration of a wireless carrier’s qualifications to be an eligible telecommunications carrier.

²⁸ Indeed, a recent aggregate survey of Virgin Mobile customer usage patterns indicated that state and city welfare agencies are among the most frequently contacted by customers.

VI. ANTI-DRUG ABUSE CERTIFICATION

Virgin Mobile certifies that no party to this Petition is subject to denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.

VII. CONCLUSION

As discussed above, designation of Virgin Mobile as an ETC in the State of Washington 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 Washington solely for purposes of participating in the Lifeline program.

Respectfully submitted,

VIRGIN MOBILE USA, L.P.



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January 29, 2010

EXHIBIT 1
CERTIFICATION

Declaration of Virgin Mobile USA, L.P.

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

1. I am the Senior Vice President 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 Washington and confirm the information contained therein to be true and correct to the best of my knowledge.

3. To the best of my knowledge, Virgin Mobile, including all officers, directors, or persons holding five percent or more of the outstanding stock or shares (voting or non-voting) of the Company, are not subject to denial of federal benefits, including FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. § 862.

4. I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.



Peter Lurie
Senior Vice President

EXHIBIT 2
WIRE CENTERS

CLLI**WIRE CENTER**

| | |
|----------|----------------|
| TRLKWAXX | TROUT LAKE |
| RSVTWAXA | ROOSEVELT |
| WHTSWAXA | WHITSTRAN |
| WLWLWA01 | WALLA WALLA |
| WRLDWAXA | RICHLAND |
| PASCWA01 | PASCO |
| PASNWAXA | PATERSON |
| PRSRWAXA | PROSSER |
| RCLDWAXA | RICHLAND |
| RCLDWAXB | RICHLAND |
| BNCYWAXX | BENTON CITY |
| MTCOWAXX | MATHEWS CORNER |
| MESAWAXX | MESA |
| BSCTWAXX | BASIN CITY |
| CNNLWAXA | CONNELL |
| DLPTWAAC | DALLESPORT |
| GLDLWAXA | GOLDENDALE |
| CLMAWAXA | COLUMBIA |
| KNWCWAXA | COTTONWOOD |
| KNWCWAXB | KENNEWICK |
| MTWAWAXA | MATTAWA |
| RDFDWA01 | RIDGEFIELD |
| VANCWANO | VANCOUVER |
| VANCWA01 | VANCOUVER |
| ORCHWA01 | VANCOUVER |
| LGVWWA02 | LONGVIEW-KELSO |
| OCSWA01 | COPALIS |
| ROCHWA01 | ROCHESTER |
| OLYMWA02 | OLYMPIA |
| SNYSWA01 | BREMERTON |
| WNLCWA01 | WINLOCK |
| ARLTWAXX | ARLETTA |
| OKHRWAXX | OAK HARBOR |
| PTLWWA01 | PORT LUDLOW |
| PTTWWA01 | PORT TOWNSEND |
| SLDLWASI | SILVERDALE |
| KGTNWAXA | HANSVILLE |
| TACMWALE | TACOMA |
| TACMWafa | TACOMA |
| STTLWawe | SEATTLE |
| TACMWAFL | TACOMA |
| TACMWAGF | TACOMA |
| TACMWAJU | TACOMA |
| TACMWALO | TACOMA |

CLLI**WIRE CENTER**

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|----------|----------------------|
| TACMWASY | TACOMA |
| GGHRWAXA | FOX ISLAND |
| VSHNWAXA | VASHON |
| VSHNWAXB | VASHON |
| STTLWASU | SEATTLE |
| STTLWA04 | SEATTLE |
| RCBHWAXX | RICHMOND BEACH |
| SLLKWAXA | SILVER LAKE |
| STTLWA03 | SEATTLE |
| STTLWA05 | SEATTLE |
| STTLWA06 | SEATTLE |
| STTLWACA | SEATTLE |
| STTLWael | SEATTLE SOUTH |
| STTLWALA | SEATTLE |
| STWDWAXX | STANWOOD |
| SWLYWAXA | SEDRO WOOLLEY |
| SUMSWAXX | SUMAS-GTLD |
| SWLYWAXX | CONTEL-SEDRO WOOLLEY |
| PYLPWA01 | PUYALLUP |
| RNTNWA01 | RENTON |
| SMNRWA01 | SUMNER |
| STTLWACH | SEATTLE |
| STTLWADU | SEATTLE |
| STTLWAPA | SEATTLE |
| TACMWAWA | TACOMA WAVERLY |
| TACMWAWV | DES MOINES |
| ETVLWAXC | GRAHAM |
| SPRRWAXX | SOUTH PRAIRIE |
| RDMDWAXA | KIRKLAND |
| SMSHWAXA | KIRKLAND |
| SNHSWAXX | SNOHOMISH |
| ASLKWAXA | AMES LAKE |
| CRNTWAXX | CARNATION |
| FLCYWAXX | FALL CITY |
| MCCLWAXA | MCCLEARY |
| BMTNWA01 | BREMERTON |
| BNISWA01 | BAINBRIDGE ISLAND |
| TENNWAXA | BUCODA |
| BURLWAXA | SEDRO WOOLLEY |
| BLLVWAGL | BELLEVUE |
| BLLVWASH | BELLEVUE |
| BOTHWAXB | BOTHELL1 |
| ABRDWA01 | ABERDEEN-HOQUIAM |
| CENLWA01 | CENTRALIA |

CLLIWIRE CENTER

| | |
|----------|------------------------|
| ELMAWAXA | ELMA |
| BLHMWALU | BELLINGHAM-GTLD |
| ANCRWAXX | ANACORTES |
| BLANWAXB | BLAINE-BIRCH BAY-GTLD |
| BLHMWA01 | FERNDALÉ-GTLD |
| BRBAWAXA | BLAINE-BIRCH BAY-GTLD |
| AUBNWA01 | AUBURN |
| BYLKWA01 | SUMNER |
| BURLWAXX | CONTEL-SEDRO WOOLLEY |
| ACMEWAXA | ACME-DEMING-WHATCOMCTY |
| ALGRWAXX | CONTEL-SEDRO WOOLLEY |
| HDPTWA01 | HOODSPORT |
| LACYWA01 | OLYMPIA |
| COLBWA01 | PORT ORCHARD |
| DESMWA01 | DES MOINES |
| FDWYWA01 | DES MOINES |
| GRHMWAGR | GRAHAM |
| HLLKWAXX | HALLS LAKE |
| JUNTWAXA | KIRKLAND |
| KENTWA01 | KENT |
| KENTWAOB | SEATTLE |
| KRLDWAXX | KIRKLAND |
| MRISWA01 | SEATTLE ADAMS |
| LACNWAXX | LA CONNER |
| CNTRWAXX | CHIMACUM-CENTER |
| CNWyWAXX | CONTEL-SEDRO WOOLLEY |
| EVRTWAXA | LAKE GOODWIN |
| EVRTWAXC | EVERETT |
| EVRTWAXF | EVERETT |
| GRNRWAXX | PORT ANGELES-GARDINER |
| LKGWWAXA | LAKE GOODWIN |
| MRWYWAXA | HALLS LAKE |
| MTVRWAXF | MOUNT VERNON |
| LKSTWAXA | EVERETT |
| MYVIWAXX | MARYSVILLE2 |
| ISQHWAXE | ISSAQUAH |
| CLVWWAXA | SNOHOMISH |
| ENMCWA01 | ENUMCLAW |
| KENTWAME | KENT |
| MONRWAXX | MONROE |
| EVSNWAXX | EVERSON-GTLD |
| CSTRWAXA | CUSTER-GTLD |
| EDSNWAXX | CONTEL-SEDRO WOOLLEY |
| FNDLWAXA | FERNDALÉ-GTLD |

CLLI**WIRE CENTER**

| | |
|----------|-------------------------|
| LARLWAXX | LAUREL-WHATCOMCTY |
| LYNDWAXX | LYNDEN-MAPLE FALLS-GTLD |
| SPKNWACH | SPOKANE |
| MDLKWAXX | MEDICAL LAKE |
| CHNYWAXC | CHENEY |
| ROSLWAXA | ROSALIA |
| THTNWAXA | ROSALIA |
| SPKNWAWA | SPOKANE |
| SPKNWAHD | SPOKANE |
| RCFRWAXB | SETTERS |
| SPKNWA01 | LEWISTON |
| SPKNWafa | SPOKANE |
| SPKNWAKY | SPOKANE |
| SPKNWAMO | SPOKANE |
| SPKNWAWH | SPOKANE |
| PLMNWAXX | PULLMAN |
| LINDWAXA | LIND |
| RTVLWAXA | BENGE |
| SPNGWAXA | SPANGLE |
| ASOTWAXA | ASOTIN |
| KTFLWAXA | KETTLE FALLS |
| SPRGWAXA | SPRAGUE |
| CLVLWA01 | COLVILLE |
| DRPKWA01 | DEER PARK |
| LBLKWA01 | LIBERTY LAKE |
| GRBLWA01 | GREEN BLUFF |
| YAKMWawe | WENATCHEE |
| WNTCWAXX | KENNEWICK |
| WTVLWAXA | WATERVILLE |
| YAKMWA02 | YAKIMA |
| TITNWAXX | TIETON |
| SNSDWAXX | PROSSER |
| WPATWAXX | WAPATO |
| WRDNWA01 | WARDEN |
| ZLLHWAXA | TOPPENISH |
| QNCYWAXX | QUINCY |
| SOLKWAXX | SOAP LAKE |
| WSCKWAXA | WILSON CREEK |
| CLELWA01 | CLE ELUM |
| ELBGWAXA | SELAH |
| ESTNWA01 | EASTON |
| MBTNWAXX | MABTON |
| EPHRWA01 | EPHRATA |
| GERGWAXX | GEORGE |

CLLI

WIRE CENTER

MNSNWAXA
NCHSWAXX
CWCHWAXX
GDVWWAXA
GRNGWAXA
HRRHWAXA
MSLKWA01
MSLKWAAB

WENATCHEE
NACHES
COWICHE
GRANDVIEW
GRANGER
HARRAH
MOSES LAKE
MOSES LAKE