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Via Electronic Submission

March 24, 2015

Ms. Marlene Dortch
Secretary, Federal Communications Commission
445 12th Street SW, Room TW-A325
Washington, DC 20554

**Re: Virgin Mobile USA, LP Participation in Broadband Lifeline Pilot Program,
*Lifeline and Link Up Reform and Modernization, WC Docket No. 11-42***

Dear Ms. Dortch:

Virgin Mobile USA, L.P. (“Virgin Mobile” or “the Company”), an affiliate of Sprint Corporation, was pleased to be selected to participate in the Federal Communications Commission’s Lifeline Broadband Pilot Program. The Company herein summarizes for informational purposes the design and execution of Virgin Mobile’s Broadband Lifeline pilot project.

Virgin Mobile, in conjunction with its Assurance Wireless branded Lifeline service, jointly designed a Broadband Lifeline pilot proposal leveraging Virgin Mobile’s Broadband2Go product and Assurance Wireless’s Lifeline experience. The Company set out to market its Broadband Lifeline offering to existing Assurance Wireless Lifeline customers in good standing in Massachusetts and Ohio. Virgin Mobile made four offers available to customers in those two states:

Offer	Device Charge	Service Charge/1 gigabyte of data	Total Upfront Charge
1	\$10	\$20 activation fee, \$0 monthly recurring charge	\$30
2	\$50	\$20 activation fee, \$0 monthly recurring charge	\$70
3	\$10	\$0 activation fee, \$20/month	\$10
4	\$50	\$0 activation fee, \$20/month	\$50

The device offered to pilot participants was a Virgin Mobile branded MiFi device. Service was offered on a prepaid basis, like all Virgin Mobile service offerings, such that



customers who enrolled in Offers 3 or 4 with a monthly recurring charge could choose to pay and receive service (or not) in any given month.

Virgin Mobile marketed each of the four offers to approximately 26,000 Assurance Wireless customers in Massachusetts and 38,000 customers in Ohio. Customers were targeted with only one offer. Thus, a total of approximately 104,000 Massachusetts customers and 150,000 Ohio customers received an offer for Broadband Lifeline service from Virgin Mobile. All marketing was in the form of a two-sided trifold mailer using the familiar Assurance Wireless color palette that contained a description of the program, the offer and the necessary qualifications, promoted the benefits of broadband generally, displayed an image of the broadband device, and referred Ohio customers to a technology training program offered at no charge by a partner organization, Connected Nation. Most customers received one mailer, although some received a follow up mailer.

Virgin Mobile planned for participation by 2,500 customers for each Offer. In fact, participation in all Offers was considerably less – in the hundreds of customers total in any given month. Offer 1, with a \$30 upfront cost and no monthly recurring charge, attracted the most customers. Offer 4, with a \$50 upfront cost and \$20 monthly recurring charge, attracted the fewest customers. In terms of usage, only a handful of participants exceeded one gigabyte of data in any given month. The vast majority of participants used well below one gigabyte of data.

Virgin Mobile did not conduct a customer survey in addition to the surveys conducted by USAC to investigate the low rate of participation. However, based on its experience serving Lifeline customers and Broadband customers, Virgin Mobile makes the following observations:

- A required contribution, either upfront or in the form of a monthly recurring charge, even if it is relatively small, is a significant barrier to participation for Lifeline-eligible households. Annual income for the average Assurance Wireless household is approximately \$11,000. Any broadband Lifeline program should be designed with the extremely cash-constrained consumer in mind.
- Approximately 70% of Assurance Wireless Lifeline subscribers report having no access to the internet either at home or in the community (family, school, library, etc.). Assurance Wireless households may not have hardware available to access the internet using broadband service. Any broadband Lifeline program should consider the inclusion of a subsidy for hardware, including but not limited to a smartphone.



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- It is likely that a robust consumer education effort will need to precede and accompany any broadband Lifeline program, to educate targeted consumers about both the benefits of broadband access and how to use the service.

Virgin Mobile appreciates the opportunity to provide this summary for Staff's information. Please do not hesitate to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Elaine M. Divelbliss". The signature is written in a cursive, flowing style.

Elaine M. Divelbliss

cc: Michelle Schaffer, Esq. (via electronic mail)