

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

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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.<sup>1</sup> 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.<sup>2</sup> 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

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<sup>1</sup> 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*”).

<sup>2</sup> *Order* at ¶¶ 21, 30.

requirement that Virgin Mobile own facilities and warranted forbearance and ETC designation.<sup>3</sup>

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.<sup>4</sup> The Commission required Virgin Mobile to

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<sup>3</sup> See Order at ¶ 29.

<sup>4</sup> 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*.<sup>5</sup>

### 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.<sup>6</sup> The customer certification and verification procedures described below should deter these practices to the ultimate benefit of all Lifeline customers.

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<sup>5</sup> *See id.*

<sup>6</sup> *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.<sup>7</sup> 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.<sup>8</sup>

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.<sup>9</sup> 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.<sup>10</sup>

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<sup>7</sup> See *Order* at ¶ 12.

<sup>8</sup> See *Order* at ¶ 22.

<sup>9</sup> See 47 C.F.R. § 20.18(m).

<sup>10</sup> 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.<sup>11</sup> 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.<sup>12</sup> 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

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<sup>11</sup> A form of this PSAP certification request is attached hereto as Exhibit A.

<sup>12</sup> 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."<sup>13</sup> 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.<sup>14</sup>

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

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<sup>13</sup> *Order* at ¶ 26.

<sup>14</sup> *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.<sup>15</sup> 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.<sup>16</sup> 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.

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<sup>15</sup> A form of the Lifeline application is attached hereto as Exhibit B.

<sup>16</sup> 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.<sup>17</sup> 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

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<sup>17</sup> 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).



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](mailto: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



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\_Int» «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. Includes a list of required income proof documents 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.

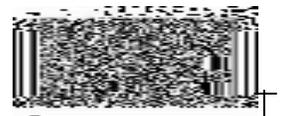
I UNDERSTAND THAT LIFELINE IS ONLY AVAILABLE FOR ONE LANDLINE OR WIRELESS PHONE LINE PER HOUSEHOLD. IF I CURRENTLY HAVE A LIFELINE PLAN WITH A DIFFERENT PHONE SERVICE PROVIDER, I WILL NOTIFY MY CURRENT PROVIDER WHEN I AM APPROVED FOR THE VIRGIN MOBILE LIFELINE PROGRAM.



Signature

Date

Printed Name



«CustomerID»