

Marguerite McLean

090245-TP

From: Beahn, John M [John.Beahn@skadden.com]
Sent: Wednesday, October 21, 2009 4:14 PM
To: Filings@psc.state.fl.us
Subject: Docket No. 090245-TP - Virgin Mobile USA, L.P.
Attachments: Responses.pdf

On behalf of Virgin Mobile USA, L.P. (Virgin Mobile), enclosed please find responses to staff's second set of requests for additional information regarding the company's pending Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of Florida (9 pages).

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

Respectfully submitted.
s/ John M. Beahn
Counsel to Virgin Mobile USA, L.P.

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

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10/21/2009

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October 21, 2009

VIA ELECTRONIC DELIVERY

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Docket No. 090245-TP

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Respectfully submitted,

/s/

John M. Beahn
Counsel to Virgin Mobile USA, L.P.

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46. In response to data request question number 2, Virgin Mobile stated that it had withdrawn ETC applications in Pennsylvania and Massachusetts. Does Virgin Mobile plan to apply for ETC status with these state commissions in the future?

Response: Yes. Virgin Mobile intends to seek the relevant ETC authority from Pennsylvania and Massachusetts in the future to provide Lifeline services.

47. In response to question number 15, Virgin Mobile stated that it will not seek Link-Up funds from USAC. Will Lifeline customers incur any connection or activation fees?

Response: No. Virgin Mobile Lifeline customers will not incur any connection or activation fees.

48. In response to question number 17, Virgin Mobile stated that it does not offer bundled packages to customers. Virgin Mobile's website shows bundled offerings which include one or more vertical services, such as voicemail or call waiting. Is Virgin Mobile willing to provide discounts on bundled packages to customers who qualify for Lifeline? Is the customer who qualifies for Lifeline allowed to choose any of Virgin Mobile's plans?

Response: Virgin Mobile's Lifeline customers will have access to the same vertical features that other customers receive, including voicemail and call waiting, at no additional charge. Lifeline customers also will have the ability to access the rich array of information and entertainment applications available from Virgin Mobile. Customers seeking to receive Lifeline services will only be able to receive discounted wireless services through the company's designated Lifeline service offering. Because of the nature of Virgin Mobile's prepaid services, Lifeline discounts are not available on its other service plans.

49. In response to number 25, it was stated that Virgin Mobile would not offer roll forward minutes to its Lifeline customers. It states on Virgin Mobile's website that roll forward minutes are available. Please explain.

Response: The roll forward option is available on certain Virgin Mobile service offerings, but the company is not currently planning to incorporate the feature into its Lifeline service offering.

50. In response to number 31 of the data request, Virgin Mobile responded that it would create and target marketing materials for English and Spanish-speaking customers. Would Virgin Mobile be willing to create materials and target other languages, such as Creole?

Response: Depending on the demand for Lifeline services from the Creole-speaking population in Florida, Virgin Mobile will consider creating materials that target this customer segment. From a general perspective, Virgin Mobile would consider creating Lifeline materials in any additional language, including

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Creole, if a significant portion of the Lifeline-eligible population in a state spoke the language.

51. In response to question number 33 of the data request, Virgin Mobile stated that it was working with Sprint-Nextel and would provide a list of the wire centers in which Virgin Mobile is requesting designation. Please provide that information.

Response: See attached Exhibit A.

52. In response to number 36, Virgin Mobile stated that it would do annual and random verification for Lifeline customer eligibility. How will this random verification happen, and how often will Virgin Mobile do this verification?

Response: The company will contact each Lifeline consumer annually prior to their service anniversary date via a text message, requiring the consumer to confirm head of household status and receipt of Lifeline service solely through Virgin Mobile. With respect to random verification, a mailing will go out on a monthly basis (via a postage prepaid return envelope) to a random sampling of Lifeline consumers, which will require the consumers to verify with signature their continued eligibility for Lifeline based on the specific eligibility criteria.

53. In question number 39, staff asked Virgin Mobile if the FCC had provided a timeframe for approving the compliance plan submitted by Virgin Mobile. Please provide an update of this FCC matter.

Response: Virgin Mobile continues to work with FCC staff regarding approval of the company's compliance plan. Based on recent meetings and discussions with FCC representatives, Virgin Mobile expects to receive approval of its compliance plan as submitted to the FCC in the very near future.

54. In question number 40, Virgin Mobile responded that Lifeline customers would be able to purchase additional minutes as other Virgin Mobile customers can. Is there a minimum that these customers would have to purchase? Would the minutes be priced lower for Lifeline customers?

Response: Lifeline-eligible customers will be able to purchase Virgin Mobile Top-Up cards for as low as \$10. Additional voice minutes will cost \$0.20/minute.

55. Would Lifeline customers be able to qualify for any of Virgin Mobile's "kick-backs" as mentioned on its website?

Response: Yes. Lifeline customers would qualify to participate in the Kickbacks program.

56. On Virgin Mobile's website, it shows phones priced from \$9.99 to \$99.99. In Virgin Mobile's application for ETC status, Virgin Mobile stated on pages 4 and 5, that "customers will purchase a mobile phone with a retail price of approximately \$15.00..." Is the customer who qualifies for Lifeline allowed to choose any of Virgin Mobile's phones?

Response: Lifeline-eligible customers availing themselves of the free handset offer will receive a handset designated by Virgin Mobile for Virgin Mobile's Lifeline service offering. The Lifeline offering will be compatible with all Virgin Mobile handsets, should a customer choose to purchase a different handset.

57. Would Virgin Mobile allow Lifeline qualifying customers to use the "Pinksip Protection"? On the website it says that there is automatic enrollment for new customers who sign up before December 31, 2009.

Response: Pink Slip Protection pays a customer's monthly charge if they become unemployed and, therefore, is only applicable to plans with monthly charges. Because Virgin Mobile's Lifeline service offering will be free to eligible customers, Pink Slip Protection would be unnecessary to protect these customers in the event of a job termination.

58. On page 3 of Virgin Mobile's application for designation as an ETC in Florida, there is a sentence that reads "Many of these customers also use Virgin Mobile's services sparingly, with a substantial percentage spending less than \$10 per month." What is a substantial percentage, and where and how was this information gathered?

Response: More than 25% percent of Virgin Mobile customers spend less than \$10 per month. This information was gathered through internal customer surveys.

59. What effect will the Sprint-Nextel purchase of Virgin Mobile have on Virgin Mobile's proposed Lifeline offering?

Response. The Sprint-Nextel acquisition of Virgin Mobile should hasten the broader deployment of Lifeline services by the combined company. By becoming part of Sprint, Virgin Mobile will gain access to Sprint's considerable expertise and resources, allowing it to better serve lower-income and lower-volume customers, including through expanding the availability of wireless Lifeline services.

60. Does Virgin Mobile have any future plans to offer service other than as prepaid wireless?

Response. At this point, Virgin Mobile intends to focus its efforts on growing its prepaid and hybrid wireless service offerings.

61. Has Virgin Mobile corrected the deficiencies in its application to the Texas Public Utility Commission?

Response. Virgin Mobile has provided the Texas Public Utility Commission with additional information regarding its application and is continuing to work with staff to obtain ETC designation.

62. Does Virgin Mobile have any future plans to offer lower costs for “top-offs” in smaller denominations to accommodate qualifying Lifeline customers?

Response. There are no current plans to offer smaller Top-Up denominations to Lifeline customers.

63. With no annual contract, what will Virgin Mobile do to ensure that customers that still qualify for Lifeline are getting the discount, and those that do not qualify for Lifeline anymore, are no longer given the discounts?

Response. To ensure that customers who qualify for Lifeline are receiving the discount, Virgin Mobile will advertise and promote the availability of the offering to qualifying customers in its Florida service areas. Virgin Mobile has significant experience in marketing its prepaid wireless services to lower-income and lower-volume customers, and it will bring this experience to bear in reaching customers who qualify for Lifeline discounts. Virgin Mobile will target locations where consumers receive benefits that make them eligible for Lifeline services, including various state and local social service agencies, to inform customers of the availability of its Lifeline services. The company will coordinate its efforts with public and private assistance agencies to ensure that the availability of Lifeline services reaches the broadest audience possible. The company also will promote its Lifeline offerings to its existing customers—many of whom may otherwise qualify for Lifeline—through email and text message campaigns. To restrict the availability of Lifeline services only to eligible customers, Virgin Mobile will undertake annual and random verification of customer eligibility.

64. Please explain how Virgin Mobile arrived at 100 free minutes each month, versus the 120 that was stated in the application. Also explain how the 100 free minutes each month equals the \$13.50/month Lifeline discount.

Response. Virgin Mobile Lifeline customers will receive 100 free minutes each month, an offer valued at \$20, which exceeds the \$13.50/month Lifeline discount. Of the \$20 value provided to Lifeline customers, Virgin Mobile anticipates receiving reimbursement from the Universal Service Fund in the amount of \$10; the remaining \$10 of airtime is provided by Virgin Mobile at no charge to the customer. The number of minutes available in connection with the Lifeline offer is based in part on the anticipated associated costs to the company.

65. Will the iPCS lawsuit seeking an injunction against the purchase of Virgin Mobile by Sprint-Nextel have any effect on Virgin Mobile’s Florida ETC petition?

Response. Because the iPCS lawsuit involves issues that are unrelated to the company's Lifeline service offering, Virgin Mobile does not expect it to have any effect on the company's efforts to obtain ETC designation in Florida. In addition, Sprint-Nextel and iPCS recently announced their intention to seek an immediate stay of all pending litigation between the parties as part of an agreement for Sprint to acquire iPCS.

EXHIBIT A

Virgin Mobile requests ETC designation in the following wire centers in the State of Florida.

MIAMFLCA	BRKRFLXA	LBLFLXA
HLWDFLPE	CITRFLXA	MRHNFLXA
FTLDFLSG	ORSPFLXA	LKPCFLXA
PAHKFLMA	HWTHFLMA	AVPKFLXA
BLGLFLMA	WALDFLXA	SBNGFLXA
MIAMFLDB	MLRSFLXA	SLHLFLXA
MIAMFLWD	INTRFLXA	FRSTFLXA
MIAMFLPL	FLRHFLXA	CYGRFLXA
MIAMFLSO	PLTKFLMA	LKWFLXA
MIAMFLPB	STRKFLXA	BBPKFLXA
MIAMFLWM	RAFRFLXA	DUNDFLXA
MIAMFLAP	LWTYFLXA	HNCYFLXA
MIAMFLFL	KYHGFLMA	POINFLXA
MIAMFLME	MXVLFLMA	INLKFLXA
MIAMFLOL	KGLKFLXA	LKWFLXE
MIAMFLAL	GCSPFLCN	KNVFLXA
MIAMFLNS	MDBGFLPM	HNCYFLXN
MIAMFLHL	JCVLFLWC	KSSMFLXB
FTLDFLWN	ORPKFLRW	KSSMFLXA
FTLDFLJA	JCVLFLNO	ZPHYFLXA
NDADFLBR	LKCYFLMA	SNANFLXA
NDADFLGG	JCVLFLLF	OCAFFLXB
HLWDFLWH	PRSNFLFD	DDCYFLXA
FTLDFLSU	WELKFLMA	TLCHFLXA
FTLDFLPL	PMPKFLMA	BSHNFLXA
FTLDFLQA	CRCYFLXA	GVLDFLXA
BCRTFLSA	HSNGFLXA	CLMTFLXA
PMBHFLTA	BNNLFLMA	HOWYFLXA
PMBHFLCS	PLCSFLMA	WLWDFLXA
PMBHFLMA	MNDRFLLW	BLVWFLXA
DLBHFLKP	STAGFLWG	OCAFFLXC
WPBHFLGA	ORPKFLMA	OCAFFLXJ
INTWFLXA	MNDRFLLO	SVSSFLXA
WPBHFLRP	JCVLFLRV	LSBGFLXA
PMBHFLNP	JCVLFLCL	LDLKFLXA
BCRTFLBT	JCVLFLSJ	TVRSFLXA
WPBHFLHH	JCVLFLSM	ESTSFLXA
LKPCFLXA	JCVLFLJT	UMTLFLXA
SLHLFLXA	MNDRFLAV	OKLWFLXA
OKCBFLXA	JCVLFLAR	KNVFLXA
SBSTFLFE	JCVLFLFC	OKCBFLXA

NRPTFLXA
CYLKFLXB
MRDCFLXA
HLWDFLPE
GLGCFLXA
IMKLFLXA
LHACFLXA
ALVAFLXA
LBLEFLXA
CLTNFLXA
MRHNFLXA
CRVWFLXA
DFSFLXA
PNLNFLXA
GLDLFLXA
RYHLFLXA
SYHSFLCC
VERNFLMA
WSTVFLXA
YNFNFLMA
CHPLFLJA
GCVLFLMA
ALFRFLXA
BLTWFLXA
MRNNFLXA
GNWDFLXA
CTDLFLXA
DNLNFLWM
ORCYFLXA
DELDFLMA
DLSPFLMA
LKHLFLXA
DYBHFLFN
MAYOFLXA
CFLDFLMA
TRENFLMA
LRVLFLXA
DWPKFLXA
BRFRFLXA
WLBFLXA
LVOKFLXA
BORAFLXA
WHSPFLXA
NWBYFLMA
ARCHFLMA
MCINFLXA

JCVLFLBW
JCBHFLSP
JCBHFLAB
JCVLFLIA
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SNSPFLXA
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MNLKFLXA
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KSSMFLXB
LKBNFLXB
KSSMFLXA
WDRFLXA
MTVRFLXA
WNGRFLXA
ORLDFLPH
APPKFLXA
STCDFLXA
ORLDFLSA
ORLDFLPC
KSSMFLXD
ORLDFLMA
WNPKFLXA
MTLDFLXA
LKBRFLXA
ALSPFLXA
LKMFLHE
ORLDFLCL
ORLDFLAP
GLRDFLXA
CSLBFLXA
OVIDFLCA
MTDRFLXA
ASTRFLXA
SNFRFLMA
DBRYFLMA
DBRYFLDL
ORCYFLXA
ORCYFLXC
DELDFLMA
EORNFLMA
GENVFLMA
LKHLFLXA
WLSTFLXA
OCALFLXA
SVSPFLXA
OCNFFLXA
SSPRFLXA
SPCPFLXA
TLHSFLXG
GNBOFLXA
TLHSFLXC
GRETFLXA
QNCYFLXA
TLHSFLXH

MCNPFLMA
GSVLFLNW
GSVLFLMA
HGSPFLXA
FTWHFLXA
ALCHFLXA
LKBTFLXA

BVHLFLXA
INVRFLXA
DDCYFLXA
LKLDFLXN
TLCHFLXA
PKCYFLXA
CLMTFLXA

HAVNFLMA
TLHSFLXB
TLHSFLXA
TLHSFLXE
TLHSFLXD
MDSNFLXA
LEE FLXA