

Schacht & McElroy

*Robert M. Schacht (retired)
Michael R. McElroy*

Attorneys at Law

*(401) 351-4100
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*Members of Rhode Island
and Massachusetts Bars*

*21 Dryden Lane
Post Office Box 6721
Providence, Rhode Island 02940-6721*

*email: RMSchacht@aol.com
McElroyMik@aol.com*

June 27, 2011

Luly E. Massaro, Clerk
Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

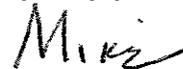
Re: Virgin Mobile, USA, L.P. –
Telecommunications Service Supplier Application (Class VI)

Dear Luly:

Enclosed are an original plus nine copies of Virgin Mobile, USA, L.P.'s responses to the Division's first set of data requests.

If you have any questions or you need any further information, please feel free to call.

Very truly yours,



Michael R. McElroy

MRMc:tmg

cc: Benjamin J. Aron, Esq.
Service list

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION**

In Re: The Matter of
Virgin Mobile USA, L.P.
Petition for Limited Designation as an
Eligible Telecommunications Carrier

Docket No. 4250

**VIRGIN MOBILE'S ANSWERS TO
FIRST SET OF DATA REQUESTS PROPOUNDED BY THE
DIVISION OF PUBLIC UTILITIES AND CARRIERS**

Virgin Mobile USA, L.P. ("Virgin Mobile" or "Virgin") by its attorneys, responds to the First Set of Data Requests ("Data Requests") of the Division of Public Utilities and Carriers ("Division") propounded upon Virgin Mobile.

Virgin Mobile USA, L.P.
Docket No. 4250
Responses to Division Set 1
Witness: Elaine Divelbliss

Div1-1 On page 23 of Virgin Mobile declaration statement, item 4 indicates the company as being an authorized telecommunications carrier under the laws of the state of Rhode Island. Please provide documentation for this statement.

Response: Please see the attached paperwork from the office of the Rhode Island Secretary of State indicating that Virgin Mobile is in good standing with the state of Rhode Island. Please also see Virgin Mobile's response to Div1-2.

Witness: Elaine Divelbliss



State of Rhode Island and Providence Plantations

A. Ralph Mollis
Secretary of State

Certification Number: 11061814570

The office of the Secretary of State of the State of Rhode Island and Providence Plantations,
HEREBY CERTIFIES, that

VIRGIN MOBILE USA, L.P.

a Delaware limited partnership, qualified to do business in Rhode Island on

March 31, 2011

Effective

October 04, 2001

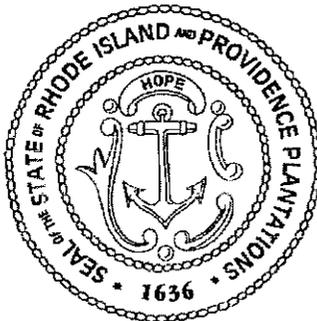
IT IS FURTHER CERTIFIED that as of this date said foreign partnership is authorized to
transact business in this state.

SIGNED AND SEALED ON

Monday, June 20, 2011

Secretary of State

Authorized Agent



Virgin Mobile USA, L.P.
Docket No. 4250
Responses to Division Set 1
Witness: Elaine Divelbliss

Div1-2 Virgin Mobile USA, L.P. is not registered with the Rhode Island Public Utilities Commission as a supplier of telecommunications service as required by the commission rules. Please provide the timeframe upon which a filing will be provided for review. (Footnote omitted).

Response: At the time Virgin Mobile filed its ETC application, Virgin Mobile was unaware of the requirement that it register with the Commission as a supplier of telecommunications service. Virgin Mobile is separately filing on this date a Telecommunications Service Provider (Class VI) Application for Registration.

Witness: Elaine Divelbliss

Virgin Mobile USA, L.P.
Docket No. 4250
Responses to Division Set 1
Witness: Elaine Divelbliss

Div1-3 Please explain what the costs increment is when a customer surpasses the 250 minute monthly free usage?

Response: Virgin Mobile's basic Lifeline service offering provides eligible customers with 250 anytime prepaid minutes per month at no charge with additional service priced at \$0.10/minute for local and long-distance calling and \$0.10/text message. Virgin Mobile also offers two methods by which Lifeline customers entirely at their option can purchase blocks of additional services.¹ Under the first option, Lifeline customers can add \$5 to their account to purchase an additional 250 monthly minutes, providing them with a total of 500 voice minutes in a month (250 free minutes plus 250 additional minutes). Under the second option, Lifeline customers can add \$20 to their account to purchase an additional 750 voice minutes, providing them with a total of 1,000 voice minutes (250 free minutes plus 750 additional minutes). Customers choosing this second option will also receive 1,000 monthly text messages. There is no obligation that customers purchase these additional offerings or add money to their accounts, and all eligible customers will continue to receive 250 free monthly minutes.²

The rates for service under all plans include all applicable taxes and fees, and customers can use their monthly minutes to place calls statewide (or even nationwide) because none of the plans imposes a local calling area requirement. Each service plan also includes voicemail, caller I.D. and call waiting services at no additional charge. Virgin Mobile also does not assess additional charges for activation or connection of Lifeline service. As a result, Lifeline customers will receive free service with no additional charges for taxes or activation. Eligible customers can select any option on a month-to-month basis without subscribing to a long-term contract or incurring activation charges or connection fees. In the event that a customer selecting either the \$5/500 or \$20/1000 minute plan does not have sufficient funds in the Lifeline account at the time the minutes are to be deposited in a particular month, the customer would default to the free 250-minute plan for that month. Unlike other prepaid wireless Lifeline providers, Virgin Mobile is a facilities-based carrier and offers service exclusively on the Sprint Nationwide Network rather than reselling the services of various network providers.

Witness: Elaine Divelbliss

¹ A description of these service offerings is available on the Assurance Wireless website: <http://www.assurancewireless.com/Public/MorePrograms.aspx>.

² Consistent with current practice, minutes and text messages do not carry forward from month-to-month. Customers can still purchase individual voice minutes and text messages for \$0.10/minute and \$0.10/text.

Virgin Mobile USA, L.P.
Docket No. 4250
Responses to Division Set 1
Witness: Elaine Divelbliss

Div1-4 Please explain if the Lifeline service Virgin Mobile will be using is located on the at this URL
<http://www.assurancewireless.com/Public/Welcome.aspx?>

Response: Yes, a description of the Lifeline service Virgin Mobile will be offering is located on the “Program Description” tab at the indicated URL. The specific URL for the program description is as follows:

<http://www.assurancewireless.com/Public/MorePrograms.aspx>

Witness: Elaine Divelbliss

Virgin Mobile USA, L.P.
Docket No. 4250
Responses to Division Set 1
Witness: Elaine Divelbliss

Div1-5 On the Assurance Wireless web site, the state of Texas has an allowance of 90 days to show activity in order to continue receiving free minutes each month. Will the company comply with an increase from 60 to 90 days if requested?

Response: Yes. To ensure that USF funds are received only for customers who actively use their Lifeline services, Virgin Mobile will implement a 60-day inactivity policy in Rhode Island. Under this policy, if a customer does not make a voice call or send a text message or otherwise demonstrate activity at least once during any continuous 60-day period, Virgin Mobile will promptly notify the customer that the customer is no longer eligible for Lifeline service subject to a 30-day grace period. During the 30-day grace period, the customer's account would remain active, and Virgin Mobile will engage in outreach efforts to determine whether the customer desires to remain on its Lifeline service. If the customer's account does not show any customer-specific activity during the grace period (such as making or receiving a voice call, receiving or sending a text message, downloading data or adding money to the account), Virgin Mobile will deactivate Lifeline services for that customer. In addition, Virgin Mobile will not recover a federal USF subsidy for the free minutes provided to the customer during the grace period or thereafter report that customer on its USAC Form 497.

Witness: Elaine Divelbliss

Virgin Mobile USA, L.P.
Docket No. 4250
Responses to Division Set 1
Witness: Elaine Divelbliss

Div1-6 Please explain whether there a debit or credit card is required to obtain Lifeline service?

Response: Neither is required to obtain service. To the extent that Virgin Mobile Lifeline customers seek to purchase service beyond the free 250 minutes provided each month, to add funds to their account, they may purchase Virgin Mobile Top-Up cards at more than 140,000 retail locations nationwide, including Best Buy, Target, Wal-Mart and Radio Shack, or use a PayPal account. A debit or credit card may also be used to add money to a customer's account but is not required.

Witness: Elaine Divelbliss

Virgin Mobile USA, L.P.
Docket No. 4250
Responses to Division Set 1
Witness: Elaine Divelbliss

Div1-7 Please provide, in detail, any and all taxes/surcharges/etc., other than usage, that will be applied to Rhode Island Lifeline accounts.

Response: The rates for service under all plans include all applicable taxes and fees. As a result, Lifeline customers will receive free service, so long as they do not elect to exceed 250 minutes of voice service per month, with no additional charges for taxes or activation.

Witness: Elaine Divelbliss

Docket No. 4250 – Virgin Mobile USA, L.P. - ETC Designation Petition
 Service List as of 5/31/11

Name/Address	E-mail	Phone/FAX
Michael McElroy, Esq. Schacht & McElroy PO Box 6721 Providence RI 02940-6721	McElroyMik@aol.com	401-351-4100 401-421-5696
Karen Lyons, Esq.	klyons@riag.ri.gov	401-222-2424
Dept. of Attorney General 150 South Main St. Providence RI 02903	Jlanni@ripuc.state.ri.us	401-222-3016
	bkent@ripuc.state.ri.us	
	mcorey@riag.ri.gov	
	dmacrae@riag.ri.gov	
Jon Hagopian, Esq. Dept. of Attorney General	jhagoian@riag.ri.gov	
File an original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02888	Lmassaro@puc.state.ri.us	401-780-2107
	Cwilson@puc.state.ri.us	401-941-1691



MICHAEL R. McELROY
ATTORNEY AT LAW
GENERAL ACCOUNT
21 DRYDEN LANE
POST OFFICE BOX 6721
PROVIDENCE, RI 02940-6721
(401) 351-4100



57-1-115

6/22/2011

PAY TO THE
ORDER OF

State Of Rhode Island

\$ **250.00

*Two Hundred Fifty and 00/100******

DOLLARS



AUTHORIZED SIGNATURE

MEMO

Virgin Mobile USA, L.P.

⑈009205⑈ ⑆011500010⑆ 000008103309⑈

Security features. Details on back.

Schacht & McElroy

*Robert M. Schacht (retired)
Michael R. McElroy*

Attorneys at Law

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*Members of Rhode Island
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*21 Dryden Lane
Post Office Box 6721
Providence, Rhode Island 02940-6721*

*email: RMSchacht@aol.com
McElroyMik@aol.com*

June 27, 2011

Luly E. Massaro, Clerk
Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Re: Virgin Mobile, USA, L.P. –
Telecommunications Service Supplier Application (Class VI)

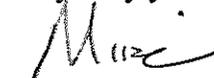
Dear Luly:

Enclosed are an original plus three copies of a complete application on behalf of Virgin Mobile, USA, L.P. for registration as a telecommunications service supplier.

Also enclosed is my check in the amount of \$250 made payable to the State of Rhode Island for the necessary fee.

If you have any questions or you need any further information, please feel free to call.

Very truly yours,



Michael R. McElroy

MRMc:tmg

cc: Benjamin J. Aron, Esq.

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION AND
DIVISION OF PUBLIC UTILITIES AND CARRIERS**

**TELECOMMUNICATIONS SERVICE SUPPLIER (CLASS VI)
APPLICATION FOR REGISTRATION**

VIRGIN MOBILE USA, L.P.

1. Statement of Business Operations

- a. What is the company's corporate name, complete address, telephone/fax numbers, and email address?**

Virgin Mobile USA, L.P.
6200 Sprint Parkway
Overland Park, KS 66251

Contact Person for Rhode Island:

Benjamin J. Aron, Esq.
Sprint Nextel Corporation
12502 Sunrise Valley Drive
Reston, VA 20196
(703) 592-7618 Phone
(703) 433-4804 Fax
Benjamin.Aron@Sprint.com

- b. What is the company's local name, complete address, telephone/fax numbers and email address?**

Please see the response to 1.a. above. Virgin Mobile USA, L.P. ("Virgin Mobile") is a facilities based carrier that sells its products and service at selected Sprint retail stores, and at numerous retail outlets including, but not limited to, Best Buy, Target, Wal-Mart, Radio Shack, Walgreens, CVS, etc. Virgin Mobile also sells its service via the internet. Virgin Mobile does business under the Virgin Mobile USA brand name and the payLo by Virgin Mobile brand name. Virgin Mobile also offers Lifeline service under the Assurance Wireless Brought To You By Virgin Mobile brand name.

- c. What are the company's business locations**

Please see response to 1.b.

- d. **Who is the company's service agent? Provide the complete address, telephone/fax numbers, and e-mail address.**

Corporation Service Company
222 Jefferson Blvd
Suite 200
Warwick, RI 02888-3855
800-927-9800 phone
302-636-5454 fax
sop@cscinfo.com email

- e. **Who is the company's attorney of record? Provide the complete address telephone/fax numbers, and email address.**

Benjamin J. Aron, Esq.
Sprint Nextel Corporation
12502 Sunrise Valley Drive
Reston, VA 20196
(703) 592-7618 Phone
(703) 433-4804 Fax
Benjamin.Aron@Sprint.com

Michael McElroy, Esq.
Schacht & McElroy
P.O. Box 6721
Providence, RI 02940-6721
(401) 351-4100 Phone
(401) 421-5696 Fax
Michael@McElroyLawOffice.com

- f. **Who are the company's corporate officers and major stockholders holding 10% or greater equity interest?**

Officers

Robert H. Johnson	President
Greg D. Block	Vice President & Treasurer
Timothy P. O'Grady	Vice President & Secretary
Ryan H. Siurek	Vice President & Controller
Paget Alves	Vice President
Harley Ball	Vice President
Mark V. Beshears	Vice President
Matthew Carter, Jr.	Vice President
John W. Chapman	Vice President & Assistant Secretary
Gary E. Charde	Vice President
Douglas B. Lynn	Vice President
Sandra Price, Jr.	Vice President

Christopher Rogers	Vice President
Charles R. Wunsch	Vice President
Jay M. Franklin	Asst. Controller
Ceyhun Cetin	Asst. Treasurer
Jennifer Dale	Asst. Treasurer
Scott W. Andreasen	Asst. Secretary

Ownership

Virgin Mobile USA, L.P. is a wholly owned subsidiary of Sprint Nextel Corporation.

- g. Provide a general description for the company's operations.

Virgin Mobile was established as a joint venture between Sprint Nextel Corporation ("Sprint Nextel") and Sir Richard Branson's Virgin Group to offer prepaid wireless services using the Virgin Mobile brand and the Nationwide Sprint Network. On November 24, 2009, Virgin Mobile USA, L.P. became a wholly owned subsidiary of Sprint Nextel.

The Virgin Mobile brand is a leader in the prepaid wireless segment, and is part of Sprint's prepaid portfolio. Virgin Mobile serves customers who are device and data-oriented with Beyond Talk™ plans and serves value-driven customers with its payLo by Virgin Mobile plans. Virgin Mobile also offers nationwide broadband service, Broadband2Go, that offer consumers control, flexibility and connectivity through various communication vehicles. Virgin Mobile's Assurance Wireless Lifeline brand provides eligible customers, who meet income requirements or are receiving government assistance, with a free wireless phone and 250 free minutes of national, local and long-distance monthly service.

- h. Describe the customer service organization at be employed in serving carriers and other end users.

Virgin Mobile does not resell its service and, therefore, does not provide customer service to other carriers. To its end-user customers, Virgin Mobile offers award-winning customer service, which has earned honors from JD Powers & Associates (Highest Ranking in America's Wireless Prepaid Services for Customer Satisfaction), PC Magazine (Reader's Choice Award for Customer Service) and Consumer Reports (Best Cell Phone Service – Prepaid Wireless). Live representatives are available to assist customers from 4am PST to 9pm PST seven days a week. Customers can contact Virgin Mobile by dialing *VM from their handset, calling the toll-free number, sending an email, or posting a question on Facebook or Twitter. In addition, customers have the ability to complete the most common and simple transactions -- checking their balance, adding money to their account, changing their plan, adding a text plan, swapping their phone, and

reading FAQs -- themselves via multiple self-service channels: right on their handset, on the web, and in the IVR.

Calls to Virgin Mobile are routed broadly based on four primary call types: Care, Technical Support, Activations, and Specialty. If the initial agent is unable to resolve the inquiry, the call can be transferred to a specialty agent in some cases (technical support, number portability, retention), or a ticket will be created in others to be resolved by a team of advanced agents who work closely with the systems and network teams for resolution. This tiered system ensures that customer inquiries and complaints are handled expeditiously and with the expertise required to resolve issues to the customer's satisfaction.

- i. Who is the company's customer service contact? Please provide the complete address, telephone/fax numbers, and e-mail address.

Contact for Commission or Division Customer Service Inquiries:

Sprint Executive Services
4701 Mercantile Drive, North
Fort Worth, Texas 76137
Phone: (877) 291-5717
Facsimile: (866) 347-8988
Email: executive.offices@sprint.com (A direct contact is assigned immediately upon contact)

For direct Consumer Inquiries:

Sprint
KSOPHT0101-Z4300
6391 Sprint Parkway
Overland Park KS 66251-4300
(888) 322-1122 (for Virgin Mobile)
(888) 321-5880 (for Assurance Wireless)

- j. Who is the company's regulatory contact person? Provide the complete address, telephone/fax numbers, and email address.

Benjamin J. Aron
Counsel
Sprint Nextel Corporation
12502 Sunrise Valley Drive
Reston, Virginia 20196
Phone: (703) 592-7618
Facsimile: (703) 592-7404
Email: Benjamin.Aron@Sprint.Com

k. What is the company's website URL?

Virgin Mobile's website is located at www.virginmobileusa.com. The website for Virgin Mobile's Lifeline service, Assurance Wireless, is located at www.assurancewireless.com.

2. Evidence of Authorization to do Business in Rhode Island

Attached is a copy of Virgin Mobile's authorization from the Rhode Island Secretary of State to do business in Rhode Island.

3. Financial Information

Virgin Mobile Corporation is a wholly owned subsidiary of Sprint Nextel Corporation. Sprint Nextel maintains its quarterly and annual financial statements on its website at the following web-address: <http://investors.sprint.com/phoenix.zhtml?c=127149&p=irol-sec>. In addition, attached are relevant excerpts from the 10-K for Sprint Nextel Corp., consisting of the overview section and the company's consolidated financial position information.

4. Informational Tariff

An information tariff regarding Virgin Mobile's Assurance Wireless Lifeline service is attached hereto.



State of Rhode Island and Providence Plantations

A. Ralph Mollis

Secretary of State



Certification Number: 11061814570

The office of the Secretary of State of the State of Rhode Island and Providence Plantations,
HEREBY CERTIFIES, that

VIRGIN MOBILE USA, L.P.

a Delaware limited partnership, qualified to do business in Rhode Island on

March 31, 2011

Effective

October 04, 2001

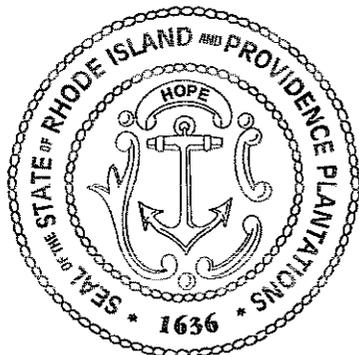
IT IS FURTHER CERTIFIED that as of this date said foreign partnership is authorized to
transact business in this state.

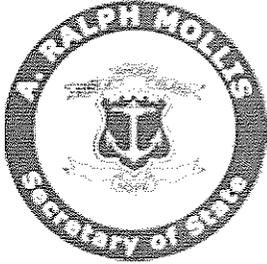
SIGNED AND SEALED ON

Monday, June 20, 2011

Secretary of State

Authorized Agent





**State of Rhode Island and Providence Plantations
Office of the Secretary of State**

Division Of Business Services
148 W. River Street
Providence RI 02904-2615
(401) 222-3040



Help with this form

VIRGIN MOBILE USA, L.P. Summary Screen

Request a Certificate

The exact name of the Foreign Limited Partnership: VIRGIN MOBILE USA, L.P.

Entity Type: Foreign Limited Partnership

Identification Number: 000624404

Date of Registration in Rhode Island: 03/31/2011

Effective Date: 10/04/2001

The Foreign Limited Partnership is organized under the laws of: State: DE Country: USA

The location of its principal office:

No. and Street: C/O SPRINT NEXTEL CORPORATION
6200 SPRINT PARKWAY

City or Town: OVERLAND PARK

State: KS Zip: 66251 Country: USA

The mailing address or specified office:

No. and Street: SPRINT NEXTEL CORPORATION
6200 SPRINT PARKWAY, KSOPHF0302-3B120

City or Town: OVERLAND PARK

State: KS Zip: 66251 Country: USA

Agent Resigned: N

Address Maintained: Y

The name and address of the Registered Agent:

No. and Street: 222 JEFFERSON BOULEVARD, SUITE 200

City or Town: WARWICK

State: RI Zip: 02888

Name: CORPORATION SERVICE COMPANY

The name and business addresses of each General Partner:

Title	Individual Name <small>First, Middle, Last, Suffix</small>	Address <small>Address, City or Town, State, Zip Code, Country</small>
PARTNER	VMU GPI, LLC	6200 SPRINT PARKWAY, KSOPHF0302-3B120 OVERLAND PARK, KS 66251 USA

Purpose

WIRELESS TELECOMMUNICATION SERVICES

Select a type of filing from below to view this business entity filings:

ALL FILINGS

Application for Certificate of Registration

Articles of Merger

Certificate of Amendment

Certificate of Cancellation

[Click Here](#) to access 2006 and 2007 annual reports filed and imaged prior to July 25, 2007. Identification Number is Required

[View Filings](#)

[New Search](#)

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Help

SPRINT NEXTEL CORP (S)

10-K

Annual report pursuant to section 13 and 15(d)

Filed on 2/24/2011

Filed Period 12/31/2010



THOMSON REUTERS

Westlaw BUSINESS

SPRINT NEXTEL CORPORATION
SECURITIES AND EXCHANGE COMMISSION
ANNUAL REPORT ON FORM 10-K
PART I

Item 1. Business
OVERVIEW

Sprint Nextel Corporation, incorporated in 1938 under the laws of Kansas, is mainly a holding company, with its operations primarily conducted by its subsidiaries. Our Series 1 voting common stock trades on the New York Stock Exchange (NYSE) under the symbol "S." Sprint Nextel Corporation and its subsidiaries ("Sprint," "we," "us," "our" or the "Company") is a communications company offering a comprehensive range of wireless and wireline communications products and services that are designed to meet the needs of individual consumers, businesses, government subscribers and resellers. Our operations are organized to meet the needs of our targeted subscriber groups through focused communications solutions that incorporate the capabilities of our wireless and wireline services. We are the third largest wireless communications company in the United States based on the number of wireless subscribers, one of the largest providers of wireline long distance services and one of the largest carriers of Internet traffic in the nation. Our services are provided through our ownership of extensive wireless networks, an all-digital global long distance network and a Tier 1 Internet backbone.

We offer wireless and wireline voice and data transmission services to subscribers in all 50 states, Puerto Rico and the U.S. Virgin Islands under the Sprint corporate brand which includes our retail brands of Sprint®, Nextel®, Boost Mobile®, Virgin Mobile®, Assurance Wireless® and Common Cents SM on networks that utilize third generation (3G) code division multiple access (CDMA), national push-to-talk integrated Digital Enhanced Network (iDEN), or internet protocol (IP) technologies. We also offer fourth generation (4G) services utilizing Worldwide Interoperability for Microwave Access (WiMAX) technology through our mobile virtual network operator (MVNO) wholesale relationship with Clearwire Corporation and its subsidiary Clearwire Communications LLC (together "Clearwire"). Sprint 4G is currently available in 71 markets reaching more than 110 million people as of the end of 2010. We utilize these networks to offer our wireless and wireline subscribers differentiated products and services whether through the use of a single network or a combination of these networks.

Our Business Segments

Sprint operates two reportable segments: Wireless and Wireline. For information regarding our segments, see "Part II, Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations" and also refer to note 14 of the Notes to Consolidated Financial Statements.

Wireless

We provide certain wireless services on our 3G network and our national push-to-talk network and 4G services through our MVNO wholesale relationship with Clearwire. We offer wireless services on a postpaid and prepaid payment basis to retail subscribers and also on a wholesale basis, which includes the sale of wireless services to resellers and affiliates. We support the open development of applications and content on our network platforms. We also enable a variety of third-party providers, location-based services and business and consumer product providers through our open-device initiative, also known as our machine-to-machine initiative. The machine-to-machine initiative incorporates selling, marketing, product development and operations resources to address growing non-traditional data needs, which covers a wide variety of products and services including remote monitoring, telcmatics, in-vehicle devices, e-readers, specialized medical devices and other original equipment manufacturer devices.

Table of Contents

We believe that our value-driven wireless price plans are very competitive. Our family of Simply Everything® postpaid price plans bundle together popular data applications with traditional mobile voice calling and the addition of our Any Mobile Anytimes™ feature to our Everything Data plans offer savings compared to our competition. In addition to savings offered to consumers, Business Advantage pricing plans are available to our business subscribers who can also take advantage of Any Mobile Anytimes™ with certain plans. Sprint's prepaid portfolio currently includes four brands, each designed to appeal to specific customer segments. Boost Mobile serves customers who are voice and text messaging-centric with its popular \$50 Monthly Unlimited plan with Shrinkage service where bills are reduced after six on-time payments. Virgin Mobile serves customers who are device and data-oriented with Beyond Talk™ plans and our broadband plan, Broadband2Go, that offer consumers control, flexibility and connectivity through various communication vehicles. Assurance Wireless™ provides eligible customers who meet income requirements or are receiving government assistance, with a free wireless phone and 250 free minutes of national local and long distance monthly service. Common Centssm Mobile caters to budget-conscious customers with 7-cent minutes that Round Down™, and 7-cent text messages.

Services and Products

Data & Voice Services

Wireless data communications services include mobile productivity applications, such as Internet access and messaging and email services; wireless photo and video offerings; location-based capabilities, including asset and fleet management, dispatch services and navigation tools; and mobile entertainment applications, including the ability to view live television, listen to Sirius-XM® satellite radio, download and listen to music from our Sprint Music Store, a music catalog with thousands of songs from virtually every music genre, and game play with full-color graphics and polyphonic and real-music sounds all from a wireless handset.

Wireless voice communications services include basic local and long distance wireless voice services, as well as voicemail, call waiting, three-way calling, caller identification, directory assistance and call forwarding. We offer Nextel Direct Connect™ push-to-talk services on our iDEN network. We also provide voice and data services to areas in numerous countries outside of the United States through roaming arrangements. We offer customized design, development, implementation and support services for wireless services provided to large companies and government agencies.

Products

Our services are provided using a wide variety of multi-functional devices such as smartphones, mobile broadband devices such as aircards and embedded tablets and laptops manufactured by various suppliers for use with our voice and data services. We generally sell these devices at prices below our cost in response to competition, to attract new subscribers and as retention inducements for existing subscribers. We sell accessories, such as carrying cases, hands-free devices, batteries, battery chargers and other items to subscribers, and we sell devices and accessories to agents and other third-party distributors for resale.

Wireless Network Technologies

We deliver wireless services to subscribers primarily through the ownership of our CDMA and iDEN networks or as a reseller of 4G services.

Our CDMA network, an all-digital wireless network with spectrum licenses that allow us to provide service in all 50 states, Puerto Rico and the U.S. Virgin Islands, uses a single frequency band and a digital spread-spectrum wireless technology that allows a large number of users to access the band by assigning a code to all voice and data bits, sending a scrambled transmission of the encoded bits over the air and reassembling the voice and data into its original format. We provide nationwide service through a combination of operating our own digital network in both major and smaller U.S. metropolitan areas and rural connecting routes, affiliations under commercial arrangements with third-party affiliates (Affiliates) and roaming on other providers' networks.

Our iDEN network is an all-digital packet data network based on iDEN wireless technology provided by Motorola Mobility, Inc. and Motorola Solutions, Inc. (collectively, "Motorola"). We are the only national wireless service provider in the United States that utilizes iDEN technology and, generally, the iDEN devices that we currently offer are not enabled to roam on wireless networks that do not utilize iDEN technology. iDEN is a proprietary technology that relies principally on our and Motorola's efforts for further research, product development and innovation. For additional information, see Item 1A, "Risk Factors—If Motorola is unable or unwilling to provide us with equipment and devices in support of our iDEN-based services, as well as improvements, our operations will be adversely affected."

Beginning in 2009, our subscribers in certain markets now have access to Clearwire's 4G network through an MVNO wholesale arrangement that enables us to resell Clearwire's 4G wireless services under the Sprint brand name. The services supported by 4G give subscribers with compatible devices high-speed access to the Internet. This relationship with Clearwire was developed through a transaction that closed on November 28, 2008, at which time we, third parties and Clearwire joined together to combine a next-generation wireless broadband business.

Table of Contents

Sales, Marketing and Customer Care

We focus the marketing and sales of wireless services on targeted groups of retail subscribers: individual consumers, businesses and government subscribers.

We use a variety of sales channels to attract new subscribers of wireless services, including:

- direct sales representatives whose efforts are focused on marketing and selling wireless services primarily to mid-sized to large businesses and government agencies;
- retail outlets owned and operated by us, that focus on sales to the consumer market as well as third-party retailers;
- indirect sales agents that primarily consist of local and national non-affiliated dealers and independent contractors that market and sell services to businesses and the consumer market, and are generally paid through commissions; and
- subscriber-convenient channels, including web sales and telesales.

We market our postpaid services under the Sprint® and Nextel® brands. We offer these services on a contract basis typically for one or two year periods, with services billed on a monthly basis according to the applicable pricing plan. We market our prepaid services under the Boost Mobile®, Virgin Mobile®, Assurance Wireless® and Common Centssm brands, as a means to provide value-driven prepaid service plans to particular markets. Our wholesale customers are resellers of our wireless services rather than end-use subscribers and market their products using their brands.

Although we market our services using traditional print and television advertising, we also provide exposure to our brand names and wireless services through various sponsorships, including the National Association for Stock Car Auto Racing (NASCAR®). The goal of these marketing initiatives is to increase brand awareness and sales.

Our customer management organization works to improve our customer's experience, with the goal of retaining subscribers of our wireless services. Customer service call centers, some of which are operated by us and some of which are operated by unrelated parties subject to Sprint standards of operation, receive and resolve inquiries from subscribers and proactively address subscriber needs.

Competition

We believe that the market for wireless services has been and will continue to be characterized by intense competition on the basis of price, the types of services and devices offered and quality of service. We compete with a number of wireless carriers, including three other national wireless companies: AT&T, Verizon Wireless and T-Mobile. Our primary competitors offer voice, high-speed data, entertainment and location-based services and push-to-talk-type features that are designed to compete with our products and services. Other competitors offer or have announced plans to introduce similar services. AT&T and Verizon also offer competitive wireless services packaged with local and long distance voice, high-speed Internet services and video. Our prepaid services compete with a number of carriers and resellers including Metro PCS Communications, Inc., Leap Wireless International, Inc. and TracFone Wireless, which offer competitively-priced calling plans that include unlimited local calling. Additionally, AT&T, T-Mobile and Verizon also offer competitive prepaid services and wholesale service to resellers. Competition will increase to the extent that new firms enter the market as a result of the introduction of other technologies such as Long Term Evolution (LTE), the availability of previously unavailable spectrum bands, such as the 700 megahertz (MHz) spectrum band and potentially the introduction of new services using unlicensed spectrum. Wholesale services and products also contribute to increased competition. In some instances, resellers that use our network and offer like services compete against our offerings.

Most markets in which we operate have high rates of penetration for wireless services, thereby limiting the growth of subscribers of wireless services. As the wireless market matures, it is becoming increasingly important to retain existing subscribers in addition to attracting new subscribers. Wireless carriers are beginning to address growing non-traditional data needs by working with original equipment manufacturers to develop connected devices such as remote monitoring, in-vehicle devices and digital signage, which utilize wireless networks to increase customer and business mobility. In addition, we and our competitors continue to offer more service plans that combine voice and data offerings, plans that allow users to add additional mobile devices to their plans at attractive rates, plans with a higher number of bundled minutes included in the fixed monthly charge for the plan, plans that offer the ability to share minutes among a group of related subscribers, or combinations of these features. Consumers respond to these plans by migrating to those they deem most attractive. In addition, wireless carriers also try to appeal to subscribers by offering devices at prices lower than their acquisition cost, and we may offer higher cost devices at greater discounts than our competitors, with the expectation that the loss incurred on the device will be offset by future service revenue. As a result, we and our competitors recognize immediate losses that will not be recovered until future periods when service is provided. Our ability to effectively compete in the wireless business is dependent upon our ability to retain existing and attract new subscribers in an increasingly competitive marketplace. See Item 1A, "Risk Factors—If we are not able to attract and retain wireless subscribers, our financial performance will be impaired."

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Wireline

We provide a broad suite of wireline voice and data communications services to other communications companies and targeted business and consumer subscribers. In addition, we provide voice, data and IP communication services to our Wireless segment and IP and other services to cable Multiple System Operators (MSOs) that resell our local and long distance services and use our back office systems and network assets in support of their telephone service provided over cable facilities primarily to residential end-user subscribers. We are one of the nation's largest providers of long distance services and operate all-digital global long distance and Tier 1 IP networks.

Services and Products

Our services and products include domestic and international data communications using various protocols such as multiprotocol label switching technologies (MPLS), IP, managed network services, Voice over Internet Protocol (VoIP), Session Initiated Protocol (SIP) and traditional voice services. Our IP services can also be combined with wireless services. Such services include our Sprint Mobile Integration service which enables a wireless handset to operate as part of a subscriber's wireline voice network and our DataLinkSM service, which uses our wireless networks to connect a subscriber location into their primarily wireline wide-area IP/MPLS data network, making it easy for businesses to adapt their network to changing business requirements. In addition to providing services to our business customers, the wireline network is carrying increasing amounts of voice and data traffic for our Wireless segment as a result of growing usage by those wireless customers.

We continue to assess the portfolio of services provided by our Wireline business and are focusing our efforts on IP-based services and de-emphasizing stand-alone voice services and non-IP-based data services. We also provide wholesale voice local and long distance services to large cable MSOs, which they offer as part of their bundled service offerings, as well as traditional voice and data services for their enterprise use. However, the digital voice services we provide to some of our MSO's have become large enough in scale that they have decided to in-source these services. Although we continue to provide voice services to residential consumers, we no longer actively market those services. Our Wireline segment markets and sells its services primarily through direct sales representatives.

Competition

Our Wireline segment competes with AT&T, Verizon Communications, Qwest Communications, Level 3 Communications, Inc., other major local incumbent operating companies, cable operators and other telecommunications providers in all segments of the long distance communications market. In recent years, our long distance voice services have experienced an industry-wide trend of lower revenue from lower prices and competition from other wireline and wireless communications companies, as well as cable MSOs and Internet service providers.

Some competitors are targeting the high-end data market and are offering deeply discounted rates in exchange for high-volume traffic as they attempt to utilize excess capacity in their networks. In addition, we face increasing competition from other wireless and IP-based service providers. Many carriers are competing in the residential and small business markets by offering bundled packages of both local and long distance services. Competition in long distance is based on price and pricing plans, the types of services offered, customer service, and communications quality, reliability and availability. Our ability to compete successfully will depend on our ability to anticipate and respond to various competitive factors affecting the industry, including new services that may be introduced, changes in consumer preferences, demographic trends, economic conditions and pricing strategies. See Item 1A, "Risk Factors—Consolidation and competition in the wholesale market for wireline services, as well as consolidation of our roaming partners and access providers used for wireless services, could adversely affect our revenues and profitability" and "—The blurring of the traditional dividing lines among long distance, local, wireless, video and Internet services contribute to increased competition."

Legislative and Regulatory Developments

Overview

Communications services are subject to regulation at the federal level by the Federal Communications Commission (FCC) and in certain states by public utilities commissions (PUCs). The Communications Act of 1934 (Communications Act) preempts states from regulating the rates or entry of commercial mobile radio service (CMRS) providers, such as those services provided through our Wireless segment, and imposes various licensing and technical requirements implemented by the FCC, including provisions related to the acquisition, assignment or transfer of radio licenses. CMRS providers are subject to state regulation of other terms and conditions of service. Our Wireline segment also is subject to federal and state regulation.

The following is a summary of the regulatory environment in which we operate and does not describe all present and proposed federal, state and local legislation and regulations affecting the communications industry. Some legislation and regulations are the subject of judicial proceedings, legislative hearings and administrative proceedings that could change the manner in which our industry operates. We cannot predict the outcome of any of these matters or their potential impact on our business. See Item 1A, "Risk Factors—Government regulation could adversely affect our prospects and results of operations; the FCC and state regulatory commissions may adopt new regulations or take other actions that could adversely affect our business prospects, future growth or results of operations." Regulation in the communications industry is subject to change,

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which could adversely affect us in the future. The following discussion describes some of the major communications-related regulations that affect us, but numerous other substantive areas of regulation not discussed here may also influence our business.

Regulation and Wireless Operations

The FCC regulates the licensing, construction, operation, acquisition and sale of our wireless operations and wireless spectrum holdings. FCC requirements impose operating and other restrictions on our wireless operations that increase our costs. The FCC does not currently regulate rates for services offered by CMRS providers, and states are legally preempted from regulating such rates and entry into any market, although states may regulate other terms and conditions. The Communications Act and FCC rules also require the FCC's prior approval of the assignment or transfer of control of an FCC license, although the FCC's rules permit spectrum lease arrangements for a range of wireless radio service licenses, including our licenses, with FCC oversight. Approval from the Federal Trade Commission and the Department of Justice, as well as state or local regulatory authorities, also may be required if we sell or acquire spectrum interests. The FCC sets rules, regulations and policies to, among other things:

- grant licenses in the 800 MHz band, 900 MHz band, 1.9 gigahertz (GHz) personal communications services (PCS) band, and license renewals;
- rule on assignments and transfers of control of FCC licenses, and leases covering our use of FCC licenses held by other persons and organizations;
- govern the interconnection of our CDMA and iDEN networks with other wireless and wireline carriers;
- establish access and universal service funding provisions;
- impose rules related to unauthorized use of and access to customer information;
- impose fines and forfeitures for violations of FCC rules;
- regulate the technical standards governing wireless services; and
- impose other obligations that it determines to be in the public interest

We hold several kinds of licenses to deploy our services: 1.9 GHz PCS licenses utilized in the CDMA network, and 800 MHz and 900 MHz licenses utilized in the iDEN network. We also hold 1.9 GHz and other FCC licenses that are not yet placed into service but that we intend to use in accordance with FCC requirements.

1.9 GHz PCS License Conditions

All PCS licenses are granted for ten-year terms. For purposes of issuing PCS licenses, the FCC utilizes major trading areas (MTAs) and basic trading areas (BTAs) with several BTAs making up each MTA. Each license is subject to build-out requirements which we have met in all of our MTA and BTA markets.

If applicable build-out conditions are met, these licenses may be renewed for additional ten-year terms. Renewal applications are not subject to auctions. If a renewal application is challenged, the FCC grants a preference commonly referred to as a license renewal expectancy to the applicant if the applicant can demonstrate that it has provided "substantial service" during the past license term and has substantially complied with applicable FCC rules and policies and the Communications Act. The licenses for the 10 MHz of spectrum in the 1.9 GHz band that we received as part of the FCC's Report and Order, described below, have ten-year terms and are not subject to specific build-out conditions, but are subject to renewal requirements that are similar to those for our PCS licenses.

800 MHz and 900 MHz License Conditions

We hold licenses for channels in the 800 MHz and 900 MHz bands that are currently used to deploy our iDEN services. Because spectrum in these bands originally was licensed in small groups of channels, we hold thousands of these licenses, which together allow us to provide coverage across much of the continental United States. Our 800 MHz and 900 MHz licenses are subject to requirements that we meet population coverage benchmarks tied to the initial license grant dates. To date, we have met all of the construction requirements applicable to these licenses, except in the case of licenses that are not material to our business. Our 800 MHz and 900 MHz licenses have ten-year terms, at the end of which each license is subject to renewal requirements that are similar to those for our 1.9 GHz licenses.

Spectrum Reconfiguration Obligations

In 2004, the FCC adopted a Report and Order that included new rules regarding interference in the 800 MHz band and a comprehensive plan to reconfigure the 800 MHz band (the "Report and Order"). The Report and Order provides for the exchange of a portion of our 800 MHz FCC spectrum licenses, and requires us to fund the cost incurred by public safety systems and other incumbent licensees to reconfigure the 800 MHz spectrum band. In addition, we received licenses for 10 MHz of nationwide spectrum in the 1.9 GHz band; however, we were required to relocate and reimburse the incumbent licensees in this band for their costs of relocation to another band designated by the FCC. The minimum cash obligation under the Report and Order is approximately \$2.8 billion. We are, however, obligated to pay the full amount of the costs relating to

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the reconfiguration plan, even if those costs exceed \$2.8 billion. As required under the terms of the Report and Order, a letter of credit has been secured to provide assurance that funds will be available to pay the relocation costs of the incumbent users of the 800 MHz spectrum. We submit the qualified 800 MHz relocation costs to the FCC for review for potential letter of credit reductions on a periodic basis. As a result of these reviews, our letter of credit was reduced from \$2.5 billion at the start of the project to \$1.3 billion in 2010 as approved by the FCC.

Completion of the 800 MHz band reconfiguration was initially required by June 26, 2008. The FCC continues to grant 800 MHz public safety licensees additional time to complete their band reconfigurations which, in turn, delays Sprint's access to some of our 800 MHz replacement channels. Under an October 2008 FCC Order, March 31, 2010 was the target date for us to begin to relinquish some of our 800 MHz channels on a region-by-region basis prior to receiving all of our FCC-designated 800 MHz replacement channels. On March 31, 2010, however, the FCC granted Sprint's request that it delay the March 31, 2010 deadline for one year until March 31, 2011 in 21 markets where public safety licensees have not yet moved off most of Sprint's replacement channels. We have requested an additional extension of the deadline in a small subset of the 21 markets where public safety licensees have not yet moved off of Sprint's replacement channels. Accordingly, we will continue to transition to our 800 MHz replacement channels consistent with public safety licensees' reconfiguration progress. We completed all our of 1.9 GHz incumbent relocation and reimbursement obligations in the second half of 2010.

New Spectrum Opportunities and Spectrum Auctions

Several FCC proceedings and initiatives are underway that may affect the availability of spectrum used or useful in the provision of commercial wireless services, which may allow new competitors to enter the wireless market. We cannot predict when or whether the FCC will conduct any spectrum auctions or if it will release additional spectrum that might be useful to wireless carriers, including us, in the future.

911 Services

Pursuant to FCC rules, CMRS providers, including us, are required to provide enhanced 911 (E911) services in a two-tiered manner. Specifically, wireless carriers are required to transmit to a requesting public safety answering point (PSAP) both the 911 caller's telephone number and (a) the location of the cell site from which the call is being made, or (b) the location of the customer's handset using latitude and longitude, depending upon the capability of the PSAP. Implementation of E911 service must be completed within six months of a PSAP request for service in its area, or longer, based on the agreement between the individual PSAP and carrier. As a part of the FCC's approval of the Clearwire transaction, we committed to measure the accuracy of our 911 systems at the county level with certain exceptions. On November 29, 2010, we notified the FCC that we had met the first of our E911 location accuracy commitments. We believe we will be able to comply with the final benchmark by the 2016 deadline.

National Security

Issues involving national security and disaster recovery are likely to continue to receive attention at the FCC, state and local levels, and Congress. A major focus of the federal government is cyber security. Congress is expected to take up legislation implementing measures to increase the security and resiliency of the Nation's digital infrastructure. We cannot predict the cost impact of such legislation. The FCC has chartered the Communications Security, Reliability and Interoperability Council consisting of communications companies, public safety agencies and non-profit consumer and community organizations to make recommendations to the FCC to ensure optimal security, reliability, and interoperability of communications systems. We are a member of the council. In addition, the FCC and the Federal Emergency Management Agency/Department of Homeland Security are likely to continue to focus on disaster preparedness and communications among first responders. We have voluntarily agreed to provide wireless emergency alerts over our CDMA network. Under the time line developed by the FCC, the provision of such alerts is to begin no later than April 2012.

Tower Siting

Wireless systems must comply with various federal, state and local regulations that govern the siting, lighting and construction of transmitter towers and antennas, including requirements imposed by the FCC and the Federal Aviation Administration. FCC rules subject certain cell site locations to extensive zoning, environmental and historic preservation requirements and mandate consultation with various parties, including Native Americans. The FCC adopted significant changes to its rules governing historic preservation review of projects, which makes it more difficult and expensive to deploy antenna facilities. The FCC recently has imposed a tower siting "shot clock" that would require local authorities to address tower applications within a specific timeframe. This may assist carriers in more rapid deployment of towers. Other changes to environmental protection and tower construction rules, however, are still possible. To the extent governmental agencies impose additional requirements on the tower siting process, the time and cost to construct cell towers could be negatively impacted.

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State and Local Regulation

While the Communications Act generally preempts state and local governments from regulating entry of, or the rates charged by, wireless carriers, certain state PUCs and local governments regulate customer billing, termination of service arrangements, advertising, certification of operation, use of handsets when driving, service quality, sales practices, management of customer call records and protected information and many other areas. Also, some state attorneys general have become more active in bringing lawsuits related to the sales practices and services of wireless carriers. Varying practices among the states may make it more difficult for us to implement national sales and marketing programs. States also may impose their own universal service support requirements on wireless and other communications carriers, similar to the contribution requirements that have been established by the FCC, and some states are requiring wireless carriers to help fund the provision of intrastate relay services for consumers who are hearing impaired. We anticipate that these trends will continue to require us to devote legal and other resources to work with the states to respond to their concerns while attempting to minimize any new regulation and enforcement actions that could increase our costs of doing business.

Regulation and Wireline Operations

Competitive Local Service

The Telecommunications Act of 1996 (Telecom Act) the first comprehensive update of the Communications Act, was designed to promote competition, and it eliminated legal and regulatory barriers for entry into local and long distance communications markets. It also required incumbent local exchange carriers (ILECs) to allow resale of specified local services at wholesale rates, negotiate interconnection agreements, provide nondiscriminatory access to certain unbundled network elements and allow co-location of interconnection equipment by competitors. The rules implementing the Telecom Act remain subject to legal challenges. Thus, the scope of future local competition remains uncertain. These local competition rules impact us because we provide wholesale services to cable television companies that wish to compete in the local voice telephony market. Our communications and back-office services enable the cable companies to provide competitive local and long distance telephone services primarily in a VoIP format to their end-user customers.

Voice over Internet Protocol

We offer a growing number of VoIP-based services to business subscribers and transport VoIP-originated traffic for various cable companies. The FCC has not yet resolved the regulatory classification of VoIP services, but continues to consider the regulatory status of various forms of VoIP. In 2004, the FCC issued an order finding that one form of VoIP, involving a specific form of computer-to-computer services for which no charge is assessed and conventional telephone numbers are not used, is an unregulated "information service," rather than a telecommunications service, and preempted state regulation of this service. The FCC also ruled that long distance offerings in which calls begin and end on the ordinary public switched telephone network, but are transmitted in part through the use of IP, are "telecommunications services," thereby rendering the services subject to all the regulatory obligations imposed on ordinary long distance services, including payment of access charges and contributions to the universal service fund (USF). In addition, the FCC preempted states from exercising entry and related economic regulation of interconnected VoIP services that require the use of broadband connections and specialized customer premises equipment and permit users to terminate calls to and receive calls from the public switched telephone network. However, the FCC's ruling did not address specifically whether this form of VoIP is an "information service" or a "telecommunications service," or what regulatory obligations, such as intercarrier compensation, should apply. Nevertheless, the FCC requires interconnected VoIP providers to contribute to the federal USF, offer E911 emergency calling capabilities to their subscribers, and comply with the electronic surveillance obligations set forth in the Communications Assistance for Law Enforcement Act (CALEA). Because we provide VoIP services and transport VoIP-originated traffic, an FCC ruling on the regulatory classification of VoIP services and the applicability of specific intercarrier compensation rates is likely to affect the cost to provide these services; our pricing of these services; access to numbering resources needed to provide these services; and long-term E911, CALEA and USF obligations. Continued regulatory uncertainty over the appropriate intercarrier compensation for interconnected VoIP services has led to many disputes between carriers.

International Regulation

The wireline services we provide outside the United States are subject to the regulatory jurisdiction of foreign governments and international bodies. In general, this regulation requires that we obtain licenses for the provision of wireline services and comply with certain government requirements.

Other Regulations

Network Neutrality

The regulatory status of broadband services has sparked a debate over "net neutrality" and "open access." On December 22, 2010, the FCC adopted so-called net neutrality rules. The order adopts three basic rules for fixed broadband Internet access services: (a) an obligation to provide transparency to consumers regarding network management practices, performance characteristics, and commercial terms of service; (b) a prohibition on blocking access to lawful content, applications, services and devices; and (c) no unreasonable discrimination. The FCC acknowledged, however, that mobile

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broadband is in its early stages of development and is rapidly changing. In this environment, the FCC stated that lesser obligations are warranted on mobile providers. Mobile providers must: provide transparency to consumers in the same manner as fixed providers; and not block access to lawful websites and applications that compete with the provider's own voice or video telephony services. The other rules applicable to fixed broadband, including no blocking of other applications, services or devices, will not apply to mobile. Similarly, mobile providers will not be subject to an "unreasonable discrimination" obligation. Since the net neutrality rules applicable to mobile are relatively narrow and because we have deployed open mobile operating platforms on our devices, such as the Android platform created in conjunction with Google and the Open Handset Alliance, the rules should not adversely affect the operation of our broadband networks or significantly constrain our ability to manage the networks and protect our users from harm caused by other users and devices.

Truth in Billing and Consumer Protection

The FCC's Truth in Billing rules generally require both wireline and wireless telecommunications carriers, such as us, to provide full and fair disclosure of all charges on their bills, including brief, clear, and non-misleading plain language descriptions of the services provided. In response to a petition from the National Association of State Utility Consumer Advocates, the FCC found that state regulation of CMRS rates, including line items on consumer bills, is preempted by federal statute. This decision was overturned by the 11th Circuit Court of Appeals and the Supreme Court denied further appeal. As a consequence, states may attempt to impose various regulations on the billing practices of wireless carriers. In addition, the FCC has opened a new proceeding to address issues of consumer protection, including the use of early termination fees, and appropriate state and federal roles. If this proceeding or individual state proceedings create changes in the Truth in Billing rules, our billing and customer service costs could increase.

Access Charge Reform

ILECs and competitive local exchange carriers (CLECs) impose access charges for the origination and termination of long distance calls upon wireless and long distance carriers, including our Wireless and Wireline segments. Also, interconnected local carriers, including our Wireless segment, pay to each other reciprocal compensation fees for terminating interconnected local calls. In addition, ILECs and CLECs impose special access charges for their provision of dedicated facilities to other carriers, including both our Wireless and Wireline segments. These fees and charges are a significant cost for our Wireless and Wireline segments. There are ongoing proceedings at the FCC related to access charges and special access rates, which could impact our costs for these services and the FCC has released recently a further Public Notice addressing special access charges. We cannot predict when these proceedings will be completed.

Several ILECs have sought and received forbearance from FCC regulation of certain enterprise broadband services. Specifically, the FCC granted forbearance to AT&T, ACS Anchorage, CenturyLink (formerly Embarq), Frontier and Citizens from price regulation of their non-time division multiplexing (TDM) based high-capacity special access services. Furthermore, in 2007, the U.S. Court of Appeals for the District of Columbia found that Verizon was "deemed granted" forbearance from the same rules when the FCC deadlocked on its similar forbearance petition, and that the "deemed grant" was unreviewable by the Court. Our request for en banc review was denied. The appeal of the FCC's rulings with respect to AT&T, Citizens, Frontier and CenturyLink was denied. These deregulatory actions by the FCC could enable the ILECs to raise their special access prices.

The FCC currently is considering measures to address "traffic pumping" by local exchange carriers (LECs) predominantly in rural exchanges, that have very high access charges. Under traffic pumping arrangements, the LECs partner with other entities to offer "free" or almost free services (such as conference calling and chat lines) to end users; these services (and payments to the LECs' partners) are financed through the assessment of high access charges on the end user's long distance or wireless carrier. Because of the peculiarities of the FCC's access rate rules for small rural carriers, these LECs are allowed to base their rates on low historic demand levels rather than the vastly higher "pumped" demand levels, which enables the LEC to earn windfall profits. The FCC is considering the legality of traffic pumping arrangements as well as rule changes to ensure that rates charged by LECs experiencing substantial increases in demand volumes are just and reasonable. As a major wireless and wireline carrier, we have been assessed millions of dollars in access charges for "pumped" traffic. Adoption by the FCC of measures to limit the windfall profits associated with traffic pumping would have a direct beneficial impact on us resolving outstanding disputes associated with such matters. Positive decisions against several LECs and their traffic pumping partners in U.S. district courts and before the Iowa Utilities Board and the FCC have not resulted in a significant decrease in this activity.

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Universal Service Reform

Communications carriers contribute to and receive support from various universal service funds established by the FCC and many states. The federal USF program funds services provided in high-cost areas, reduced-rate services to low-income consumers, and discounted communications and Internet services for schools, libraries and rural health care facilities. The USF is funded from assessments on communications providers, including our Wireless and Wireline segments, based on FCC-prescribed contribution factors applicable to our interstate and international end-user revenues from telecommunications services and interconnected VoIP services. Similarly, many states have established their own universal service funds to which we contribute. The FCC is considering changing its USF contribution methodology, and may replace the interstate telecommunications revenue-based assessment with one based on either connections (telephone numbers or connections to the public network) or by expanding the revenue base to include data revenues. The latter approach in particular could impact the amount of our assessments. The FCC is expected to issue a notice of proposed rulemaking on USF reform in the near future, but final action on the contribution methodology does not seem imminent (within next 6 months). As permitted, we assess subscribers a fee to recover our USF contributions.

In 2010, Sprint received approximately \$47 million in high-cost USF support in 25 jurisdictions as an Eligible Telecommunications Carrier (ETC). Pursuant to the FCC order authorizing the Clearwire transaction, Sprint is required to phase out its high-cost USF support to zero by 2013, and that process is currently being implemented on a state-by-state basis.

Virgin Mobile is now designated as a Lifeline-only ETC in 22 jurisdictions, providing service under our Assurance Wireless brand, and has ETC applications pending or planned in other jurisdictions as well. Virgin Mobile's Federal Lifeline USF receipts are anticipated to increase substantially in 2011.

The FCC also is considering implementation of new broadband universal service funds which may eventually replace the existing high-cost voice-centric USF. Although timing on the new broadband fund is unclear, Sprint will evaluate the relative costs and benefits of requesting support from these new funds when they become available.

Electronic Surveillance Obligations

The CALEA requires telecommunications carriers, including us, to modify equipment, facilities and services to allow for authorized electronic surveillance based on either industry or FCC standards. Our CALEA obligations have been extended to data and VoIP networks, and we are in compliance with these requirements. Certain laws and regulations require that we assist various government agencies with electronic surveillance of communications and records concerning those communications. We are a defendant in four purported class action lawsuits that allege that we participated in a program of intelligence gathering activities for the federal government following the terrorist attacks of September 11, 2001 that violated federal and state law. Relief sought in these cases includes injunctive relief, statutory and punitive damages, and attorneys' fees. We believe these suits have no merit, and they were dismissed by the district court. The plaintiffs' appeal to the US Court of Appeals for the Ninth Circuit is pending. We do not disclose customer information to the government or assist government agencies in electronic surveillance unless we have been provided a lawful request for such information.

Environmental Compliance

Our environmental compliance and remediation obligations relate primarily to the operation of standby power generators, batteries and fuel storage for our telecommunications equipment. These obligations require compliance with storage and related standards, obtaining of permits and occasional remediation. Although we cannot assess with certainty the impact of any future compliance and remediation obligations, we do not believe that any such expenditures will have a material adverse effect on our financial condition or results of operations.

We have identified seven former manufactured gas plant sites in Nebraska, not currently owned or operated by us, that may have been owned or operated by entities acquired by Centel Corporation, formerly a subsidiary of ours and now a subsidiary of CenturyLink. We and CenturyLink have agreed to share the environmental liabilities arising from these former manufactured gas plant sites. Three of the sites are part of ongoing settlement negotiations and administrative consent orders with the Environmental Protection Agency (EPA). Two of the sites have had initial site assessments conducted by the Nebraska Department of Environmental Quality (NDEQ) but no regulatory actions have followed. The two remaining sites have had no regulatory action by the EPA or the NDEQ. Centel has entered into agreements with other potentially responsible parties to share costs in connection with five of the seven sites. We are working to assess the scope and nature of this responsibility, which is not expected to be material.

Patents, Trademarks and Licenses

We own numerous patents, patent applications, service marks, trademarks and other intellectual property in the United States and other countries, including "Sprint®," "Nextel®," "Direct Connect®," and "Boost Mobile®." Our services often use the intellectual property of others, such as licensed software, and we often license copyrights, patents and trademarks of others, like "Virgin Mobile®." In total, these licenses and our copyrights, patents, trademarks and service marks are of material importance to the business. Generally, our trademarks and service marks endure and are enforceable so long as they continue to be used. Our patents and licensed patents have remaining terms generally ranging from one to 19 years.

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We occasionally license our intellectual property to others, including licenses to others to use the trademarks “Sprint” and “Nextel.”

We have received claims in the past, and may in the future receive claims, that we, or third parties from whom we license or purchase goods or services, have infringed on the intellectual property of others. These claims can be time-consuming and costly to defend, and divert management resources. If these claims are successful, we could be forced to pay significant damages or stop selling certain products or services or stop using certain trademarks. We, or third parties from whom we license or purchase goods or services, also could enter into licenses with unfavorable terms, including royalty payments, which could adversely affect our business.

Employee Relations

As of December 31, 2010, we employed approximately 40,000 personnel.

Access to Public Filings and Board Committee Charters

Important information is routinely posted on our website at www.sprint.com. Information contained on the website is not part of this annual report. Public access is provided to our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to these reports filed with the Securities and Exchange Commission (SEC) under the Securities Exchange Act of 1934. These documents may be accessed free of charge on our website at the following address: <http://investors.sprint.com>. These documents are available as soon as reasonably practicable after filing with the SEC and may also be found at the SEC's website at www.sec.gov.

Public access is provided to our Code of Ethics, entitled the Sprint Nextel Code of Conduct, our Corporate Governance Guidelines and the charters of the following committees of our board of directors: the Audit Committee, the Compensation Committee, the Executive Committee, the Finance Committee, and the Nominating and Corporate Governance Committee. The Code of Conduct, corporate governance guidelines and committee charters may be accessed free of charge on our website at the following address: www.sprint.com/governance. Copies of any of these documents can be obtained free of charge by writing to: Sprint Nextel Shareholder Relations, 6200 Sprint Parkway, Mailstop KSOPHF0302-3B424, Overland Park, Kansas 66251 or by email at shareholder.relations@sprint.com. If a provision of the Code of Conduct required under the NYSE corporate governance standards is materially modified, or if a waiver of the Code of Conduct is granted to a director or executive officer, a notice of such action will be posted on our website at the following address: www.sprint.com/governance. Only the Audit Committee may consider a waiver of the Code of Conduct for an executive officer or director.

Item 1A. Risk Factors

In addition to the other information contained in this Form 10-K, the following risk factors should be considered carefully in evaluating us. Our business, financial condition, liquidity or results of operations could be materially adversely affected by any of these risks. If we are not able to attract and retain wireless subscribers, our financial performance will be impaired.

We are in the business of selling communications services to subscribers, and our economic success is based on our ability to attract new subscribers and retain current subscribers. If we are unable to attract and retain wireless subscribers, our financial performance will be impaired, and we could fail to meet our financial obligations, which could result in several outcomes, including controlling investments by third parties, takeover bids, liquidation of assets or insolvency. Beginning in 2008 through 2010, we experienced decreases in our total retail postpaid subscriber base of approximately 8.5 million subscribers (excluding the impact of our 2009 acquisitions), while our two largest competitors increased their subscribers. In addition, our average postpaid churn rate was 1.95% and 2.15% for the years ended December 31, 2010 and 2009, respectively, while our two largest competitors had churn rates that were substantially lower. Although we have begun to see a reduction in our net loss of postpaid subscribers, if this trend does not continue our financial condition, results of operations and liquidity could be materially adversely affected.

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SPRINT NEXTEL CORPORATION
CONSOLIDATED BALANCE SHEETS

	December 31.	
	2010	2009
	(in millions, except share and per share data)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 5,173	\$ 3,819
Short-term investments	300	105
Accounts and notes receivable, net	3,036	2,996
Device and accessory inventory	670	628
Deferred tax assets	185	295
Prepaid expenses and other current assets	516	750
Total current assets	9,880	8,593
Investments	3,389	4,624
Property, plant and equipment, net	15,214	18,280
Intangible assets		
Goodwill	359	373
FCC licenses and other	20,336	19,911
Definite-lived intangible assets, net	2,009	3,178
Other assets	467	465
	<u>\$ 51,654</u>	<u>\$ 55,424</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 2,662	\$ 2,267
Accrued expenses and other current liabilities	3,573	3,750
Current portion of long-term debt, financing and capital lease obligations	1,656	768
Total current liabilities	7,891	6,785
Long-term debt, financing and capital lease obligations	18,535	20,293
Deferred tax liabilities	6,802	6,693
Other liabilities	3,880	3,558
Total liabilities	<u>37,108</u>	<u>37,329</u>
Commitments and contingencies		
Shareholders' equity		
Common shares, voting, par value \$2.00 per share, 6.5 billion shares authorized, 3.008 and 3.007 billion shares issued, 2.988 and 2.973 billion shares outstanding	6,016	6,015
Paid-in capital	46,841	46,793
Treasury shares, at cost	(227)	(582)
Accumulated deficit	(37,582)	(33,779)
Accumulated other comprehensive loss	(502)	(352)
Total shareholders' equity	14,546	18,095
	<u>\$ 51,654</u>	<u>\$ 55,424</u>

See Notes to the Consolidated Financial Statements

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SPRINT NEXTEL CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31.		
	2010	2009	2008
	(in millions, except per share amounts)		
Net operating revenues	\$ 32,563	\$ 32,260	\$ 35,635
Net operating expenses			
Cost of services and products (exclusive of depreciation and amortization included below)	17,492	16,435	16,746
Selling, general and administrative	9,438	9,453	11,355
Severance, exit costs and asset impairments	133	447	835
Goodwill impairment	—	—	963
Depreciation	5,074	5,827	5,964
Amortization	1,174	1,589	2,443
Other, net	(153)	(93)	(29)
	33,158	33,658	38,277
Operating loss	(595)	(1,398)	(2,642)
Other (expense) income			
Interest expense	(1,464)	(1,450)	(1,362)
Equity in losses of unconsolidated investments, net	(1,286)	(803)	(145)
Other income, net	46	157	89
	(2,704)	(2,096)	(1,418)
Loss before income taxes	(3,299)	(3,494)	(4,060)
Income tax (expense) benefit	(166)	1,058	1,264
Net loss	\$ (3,465)	\$ (2,436)	\$ (2,796)
Basic and diluted loss per common share	\$ (1.16)	\$ (0.84)	\$ (0.98)
Basic and diluted weighted average common shares outstanding	2,988	2,886	2,863

See Notes to the Consolidated Financial Statements

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SPRINT NEXTEL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2010	2009	2008
	(in millions)		
Cash flows from operating activities			
Net loss	\$ (3,465)	\$ (2,436)	\$ (2,796)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Goodwill and asset impairments	125	47	1,443
Depreciation and amortization	6,248	7,416	8,407
Provision for losses on accounts receivable	430	398	652
Share-based compensation expense	70	79	267
Deferred and other income taxes	230	(850)	(1,263)
Equity in losses of unconsolidated investments, net	1,286	803	145
Gains from asset dispositions and exchanges	(69)	(68)	(29)
Contribution to pension plan	—	(200)	—
Gain on previously held non-controlling interest in Virgin Mobile	—	(151)	—
Other changes in assets and liabilities, net of effects of acquisitions:			
Accounts and notes receivable	(473)	26	203
Inventories and other current assets	9	3	342
Accounts payable and other current liabilities	558	(100)	(1,137)
Other, net	(134)	(76)	(55)
Net cash provided by operating activities	<u>4,815</u>	<u>4,891</u>	<u>6,179</u>
Cash flows from investing activities			
Capital expenditures	(1,935)	(1,603)	(3,882)
Expenditures relating to FCC licenses	(459)	(591)	(801)
Acquisitions, net of cash acquired	—	(560)	—
Proceeds from equity method investments	—	—	213
Investment in Clearwire	(58)	(1,118)	—
Proceeds from sales and maturities of short-term investments	155	573	204
Purchases of short-term investments	(350)	(650)	(51)
Proceeds from sales and exchanges of assets	101	115	75
Other, net	(10)	(10)	(8)
Net cash used in investing activities	<u>(2,556)</u>	<u>(3,844)</u>	<u>(4,250)</u>
Cash flows from financing activities			
Proceeds from debt and financings	—	1,303	3,826
Repayments of debt and capital lease obligations	(862)	(2,226)	(4,367)
Debt financing costs	(51)	—	—
Proceeds from issuance of common shares, net	8	4	57
Net cash used in financing activities	<u>(905)</u>	<u>(919)</u>	<u>(484)</u>
Net increase in cash and cash equivalents	1,354	128	1,445
Cash and cash equivalents, beginning of year	3,819	3,691	2,246
Cash and cash equivalents, end of year	<u>\$ 5,173</u>	<u>\$ 3,819</u>	<u>\$ 3,691</u>

See Notes to the Consolidated Financial Statements

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SPRINT NEXTEL CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in millions)

	Common Shares		Paid-in Capital	Treasury Shares		Comprehensive Income (Loss)	(Accumulated Deficit)/ Retained Earnings	Accumulated Other Comprehensive Loss	Total
	Shares(1)	Amount		Shares	Amount				
Balance, December 31, 2007	2,951	\$ 5,902	\$ 46,711	106	\$ (2,161)		\$ (27,896)	\$ (111)	\$ 22,445
Comprehensive loss									
Net loss					\$ (2,796)		(2,796)		(2,796)
Other comprehensive income (loss), net of tax									
Unrecognized net periodic pension and other postretirement benefits						(379)			
Foreign currency translation adjustment						(17)			
Unrealized holding losses on securities						(31)			
Reclassification adjustment for realized gains on securities						14			
Other comprehensive loss						(413)		(413)	(413)
Comprehensive loss					\$ (3,209)				
Issuance of common shares, net			5	(12)	218		(164)		59
Gain on deconsolidation of net assets contributed to Clearwire(2)			424						424
Share-based compensation expense			257						257
Other, net			(65)		4				(61)
Balance, December 31, 2008	2,951	\$ 5,902	\$ 47,332	94	\$ (1,939)		\$ (30,856)	\$ (524)	\$ 19,915
Comprehensive loss									
Net loss					\$ (2,436)		(2,436)		(2,436)
Other comprehensive income, net of tax									
Unrecognized net periodic pension and other postretirement benefits						140			
Foreign currency translation adjustment						18			
Unrealized holding gains on securities						14			
Other comprehensive income						172		172	172
Comprehensive loss					\$ (2,264)				
Issuance of common shares, net				(20)	491		(487)		4
Share-based compensation expense			78						78
Conversion of series 2 to series 1 common shares	(40)	(80)	(785)	(40)	865				
Equity consideration related to Virgin Mobile acquisition	96	193	186						379
Other, net			(18)		1				(17)
Balance, December 31, 2009	3,007	\$ 6,015	\$ 46,793	34	\$ (582)		\$ (33,779)	\$ (352)	\$ 18,095
Comprehensive loss									
Net loss					\$ (3,465)		(3,465)		(3,465)
Other comprehensive loss, net of tax									
Unrecognized net periodic pension and other postretirement benefits						(139)			
Foreign currency translation adjustment						(8)			
Unrealized holding losses on securities						(3)			
Other comprehensive loss						(150)		(150)	(150)
Comprehensive loss					\$ (3,615)				
Issuance of common shares, net	1	1	(1)	(14)	355		(347)		8
Share-based compensation expense			59						59
Other, net			(10)				9		(1)
Balance, December 31, 2010	3,008	\$ 6,016	\$ 46,841	20	\$ (227)		\$ (37,582)	\$ (502)	\$ 14,546

(1) See note 13 for information regarding common shares.

(2) On November 28, 2008, we recorded a \$424 million gain on the deconsolidation of net assets contributed to Clearwire, net of \$260 million in related taxes.

See Notes to the Consolidated Financial Statements

LIFELINE AND LINK-UP WIRELESS SERVICE PLAN

**GENERAL RULES AND REGULATIONS
FOR THE PROVISION OF
LIFELINE AND LINK-UP WIRELESS SERVICE PLANS
WITHIN RHODE ISLAND
ISSUED BY
VIRGIN MOBILE USA, L.P.**

In November 2009, Virgin Mobile USA, Inc. and its subsidiaries were acquired by Sprint Nextel Corporation. Virgin Mobile USA, L.P. is now a wholly owned subsidiary of Sprint Nextel Corporation. This filing relates only to Virgin Mobile USA, L.P.'s operations and provision of service in Rhode Island.

NOTICE: This Tariff is provided for informational purposes only. The terms and conditions herein are subject to change.

**ISSUED:
XX-XX-11**

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**EFFECTIVE:
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LIFELINE AND LINK-UP WIRELESS SERVICE PLAN

TRADEMARKS AND SERVICE MARKS USED IN THIS TARIFF

Below is a list of trademarks which may be used in this Tariff. These designations will not be listed hereafter in the Tariff. However, the laws regarding trademarks and service marks will still apply. Trademarks that are owned by Virgin Mobile, USA, L.P. (“the Company”) cannot be used by another party without authorization.

Virgin Mobile®
Assurance Wireless™ (registration pending)

NOTICE: This Tariff is provided for informational purposes only. The terms and conditions herein are subject to change.

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LIFELINE AND LINK-UP WIRELESS SERVICE PLAN

1. LOW-INCOME PROGRAMS

Low-Income Programs consist of two programs: Lifeline Assistance and Link-Up Assistance. The Company currently participates in the Lifeline Assistance program to increase the availability of telecommunications services to all consumers in the areas for which the Company is designated an Eligible Telecommunications Carrier (ETC).

.1 APPLICABILITY

This tariff contains the regulations, rates and charges applicable to the Company's Lifeline Assistance wireless service plan, branded "Assurance Wireless Brought to You by Virgin Mobile," or "Assurance Wireless" in the areas in Rhode Island for which the Company is designated as an ETC. The Company's provision of service to Assurance Wireless customers within the state of Rhode Island will be subject to the terms and conditions contained in the Terms of Service agreement by and between the customer and the Company. In the event of any conflict between the provisions of this Informational Tariff and the terms and conditions of the Terms of Service, the provisions of the Terms of Service will prevail.

Lifeline services are available only to qualified low-income customers whose principal place of residence is located within the areas in Rhode Island for which the Company is designated as an ETC.

.2 LIFELINE ASSISTANCE

.1 General

Lifeline Assistance is intended to increase the availability of telecommunications services to low-income customers. Assurance Wireless fulfills this intent by providing an initial handset at no charge and domestic voice minutes free each month to qualified customers. The basic terms and conditions are in compliance with the FCC's Order No. 97-157 on Universal Service adopting the Federal-State Joint Board on Universal Service's recommendation in CC Docket 96-45, which complies with the Telecommunications Act of 1996.

NOTICE: This Tariff is provided for informational purposes only. The terms and conditions herein are subject to change.

LIFELINE AND LINK-UP WIRELESS SERVICE PLAN

1. LOW-INCOME PROGRAMS (Continued).2 LIFELINE ASSISTANCE (Continued).2 Supported Amount

Lifeline Assistance is supported by the federal universal service support mechanism.

.3 Service Included in the Lifeline Assistance Service Plan

The Company's Lifeline Service Plan includes, at a minimum, the following services:

- .1 Access to the Public Telephone Network
- .2 Local Usage
- .3 Dual-Tone Multi-Frequency ("DTMF") Signaling or its functional equivalent
- .4 Single Party Service or its functional equivalent
- .5 Access to Emergency Services/911
- .6 Access to Interexchange Service (except that 900 numbers shall not be accessible)
- .7 Access to Directory Assistance
- .8 Access to Operator Services
- .9 Call Holding
- .10 Three-Way Calling (dependent upon device)
- .11 Call Waiting
- .12 Caller ID
- .13 Numeric Messaging
- .14 Voice Mail
- .15 Free Voice Minutes for Domestic Local and Long Distance Calling

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LIFELINE AND LINK-UP WIRELESS SERVICE PLAN

1. LOW-INCOME PROGRAMS (Continued).2 LIFELINE ASSISTANCE (Continued).4 Regulations.1 Eligibility Requirements

A single Lifeline Assistance credit is available per household. The credit is applicable to a single wireless phone. In order to be eligible for a Lifeline Assistance credit, the named customer must have a total household income at or below 135% of the Federal Poverty Guidelines or be a current participant in one or more of the following low-income assistance programs:

- Medicaid
- Food Stamps
- Supplemental Security Income (SSI)
- Federal Public Housing Assistance (Section 8)
- Low-Income Home Energy Assistance Program (LIHEAP)
- National School Lunch Free lunch Program (NSL)
(must qualify for free lunch)
- Temporary Assistance for Needy Families (TANF)

Additional eligibility requirements are available for customers who are residents of Tribal Lands. In addition to the eligibility requirements above, a customer residing on Tribal Lands is eligible to receive Lifeline Assistance if the customer is a current participant in one or more of the following low-income assistance programs:

- Bureau of Indian Affairs General Assistance
- Tribally Administered Temporary Assistance for Needy Families
(Tribal TANF)
- Head Start (only those meeting income qualifying standards)

.2 Reserved for Future Use

NOTICE: This Tariff is provided for informational purposes only. The terms and conditions herein are subject to change.

LIFELINE AND LINK-UP WIRELESS SERVICE PLAN

1. LOW-INCOME PROGRAMS (Continued).2 LIFELINE ASSISTANCE (Continued).4 Regulations (Continued).3 Disconnect Policy

Customers are responsible for notifying the Company when they no longer meet the applicable eligibility standards for Lifeline Assistance. In addition, the Company will seek confirmation annually of continuing eligibility. In the event the Company determines that a customer is no longer eligible for Lifeline Assistance, the Company will notify the customer by providing a separate written notice of termination of Lifeline Assistance benefits. The customer will continue to receive Lifeline benefits for 30 days from the date of the notification letter. During this 30-day period, the customer may demonstrate continued eligibility for Lifeline Assistance by providing written documentation or otherwise confirming eligibility. If the customer fails to demonstrate continued eligibility for Lifeline Assistance, the customer's Lifeline benefits will automatically terminate at the end of the 30-day period. This 30-day period will not apply when customers notify the Company that they are no longer eligible to receive Lifeline Assistance. The customer's account will remain active for 120-days following termination during which time the customer may use any funds remaining in the account. After the end of this 120 day-period, the customer's account will expire and service will be deactivated. If the account expires, Assurance Wireless will assess a termination charge equal to the value of the balance remaining in the account. The same Disconnect Policy will apply to customers whose accounts remain inactive for a 60-day period.

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LIFELINE AND LINK-UP WIRELESS SERVICE PLAN

1. LOW-INCOME PROGRAMS (Continued)

.2 LIFELINE ASSISTANCE (Continued)

.4 Regulations (Continued)

.4 Deposits

The Company will not collect a service deposit in order to initiate Lifeline Assistance.

.5 Application of Partial Payments

Customers receive domestic voice minutes free each month. No payment is required, although customers may elect to prepay for additional services.

.6 Early Termination

There is no minimum contract and no flat-rate early termination fee. If the account expires pursuant to the Disconnect Policy described above, the customer will be assessed a termination charge equal to the value of the balance remaining in the account.

.7 Federal Universal Service Charges

The Federal Universal Service Charge will not be billed to Lifeline Assistance customers.

.8 Reserved for Future Use

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LIFELINE AND LINK-UP WIRELESS SERVICE PLAN

1. LOW-INCOME PROGRAMS (Continued)

.2 LIFELINE ASSISTANCE (Continued)

.5 Rates for Services for the Lifeline Assistance Plan

The Lifeline Assistance Plan includes an initial handset at no charge and 250 domestic free voice minutes each month that may be used at any time during the month in which allotted without limitation. Unused minutes expire at the end of the month.

<u>.1 Domestic Rate Plans</u>	<u>Monthly Charge</u>
250 total voice minutes	\$0.00
500 total voice minutes (Includes 250 minutes free plus 250 additional minutes)	\$5.00
1000 total voice minutes + 1000 text messages (Includes 250 minutes free plus 750 additional minutes)	\$20.00
.2 <u>Additional domestic voice minutes</u>	\$0.10 per minute
.3 <u>Activation/Initial Set-Up Fee</u>	\$0.00
.4 <u>Directory Assistance (411)</u>	\$1.75 per call, plus airtime

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LIFELINE AND LINK-UP WIRELESS SERVICE PLAN

1. LOW-INCOME PROGRAMS (Continued).2 LIFELINE ASSISTANCE (Continued).5 Rates for Services for the Lifeline Assistance Plan (Continued).5 Optional FeaturesText Messages

Domestic rate: \$0.10

Web Browsing

\$1.50 per MB (24 hour access)

Additional options are available at standard Virgin Mobile pricing.

.6 Roaming Charges

Roaming is not available outside the Sprint PCS Nationwide Network.

.7 Taxes and Surcharges

The Lifeline Assistance Plan offers an initial handset at no charge and domestic voice minutes free each month, inclusive of taxes and surcharges. The rates for service beyond the domestic voice minutes free each month set forth in this tariff do not include any amounts resulting from taxes, fees or exactions imposed by or for the state, any municipal corporation or other political subdivision or agency of government against the customers, company, its property or its operations. It shall be the obligation of the customers to pay such amounts resulting from such taxes, fees or exactions and such amounts shall be billed by the Company to its customers. Lifeline Assistance customers will not be assessed for federal or state universal service fees, number-portability fee, or other regulatory program fees.

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LIFELINE AND LINK-UP WIRELESS SERVICE PLAN

1. LOW-INCOME PROGRAMS (Continued)

.3 LINK-UP ASSISTANCE

.1 General

Link-Up is a connection assistance plan that provides reduced charges for qualifying customer for access to the network. Customers who qualify for Lifeline Assistance are also eligible to receive a pass-through of funds from the Link-Up program to reduce the cost of initial installation/activation of a single phone line for the household. The reduction is equal to 50% of the rate for activation of phone service, not to exceed \$30.00. Eligible residents of Tribal lands may receive an additional credit of up to \$70 to cover 100% of the service activation or installation charges between \$60 and \$130. Customers may also receive a deferred schedule (of up to one year) for payment of the discounted charges for commencing service at their principal residence. Customers may receive the Link Up discount only once at the same address. The discount cannot be applied to activation or installation charges the customer paid prior to signing up for Lifeline Assistance service. The discount cannot be applied to the purchase of customer equipment.

.2 Regulations

.1 Eligibility

The same eligibility requirements as outlined in Section 1.2.4.1 above apply for Link-Up Assistance.

.2 Access to Link-Up

Only one Link-Up credit is available to each qualifying household, and the credit can be applied only one time at the same address.

.3 Amount of Credit

The Company does not charge a fee for activation of service.

.4 Availability

The Company does not offer Link-Up Assistance at this time.

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