**Before the**

**FEDERAL COMMUNICATIONS COMMISSION**

**Washington, DC 20554**

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| In the Matter of  Bridging the Digital Divide for Low-Income Consumers  Lifeline and Link Up Reform and Modernization  Telecommunications Carriers Eligible for Universal Service Support | **)**  **)**  **)**  **)**  **)**  **)**  **)**  **)**  **)** | WC Docket No. 17-287  WC Docket No. 11-42  WC Docket No. 09-197 |

**REPLY COMMENTS OF APPLIED RESEARCH DESIGNS, INC.**

Applied Research Designs, Inc. (“AR Designs”) hereby submits its Reply Comments in the above-captioned proceeding.

In its initial comments,[[1]](#footnote-1) AR Designs, a certificated Minority Business Enterprise (MBE) in the City of Chicago and the State of Illinois and a former grantee of a Lifeline Broadband Provider Eligible Telecommunications Carrier (“ETC”) designation by this Commission,[[2]](#footnote-2) affirmed that it is prepared to offer last-mile facilities based broadband and voice Lifeline service to eligible low-income households under the Commission’s final rules in this proceeding.[[3]](#footnote-3) AR Designs argued that the Commission’s final Lifeline rules must be crafted so as to enable small, diverse, competitive, regionally- and locally-based Lifeline services to serve eligible consumers, and in particular that the Commission’s revised rules remain faithful to the clear, unambiguous statutory language and mandate of Section 214 of the Communications Act.

Specifically, AR Designs pointed out that the Commission’s final rules must adhere to the command of Section 214(e)(1) that a state-designated ETC “shall be eligible to receive universal service support in accordance with section 254 of this title and shall . . . offer the services that are supported by Federal universal service support mechanisms . . . *either using its own facilities or a combination of its own facilities and resale of another carrier’s services*.”[[4]](#footnote-4) Therefore, the Commission clearly must continue to permit offerings of Lifeline-supported services that employ at least some resale component, rather than to restrict Lifeline-supported services to “pure” facilities-based networks and providers.

Remarkably and importantly, practically every initial commenter in this proceeding, representing every relevant industry sector and constituency, concurs that the Commission should not as a public policy matter, and must not as a statutory matter, restrict Lifeline to purely facilities-based networks and service providers. Indeed, the comments show almost unprecedented unanimity in this view among facilities-based and resale service providers; ILECs, CLECs and ISPs; wireline and wireless carriers and interests; “conservative” and “liberal” interest groups and commentators; and local authorities and the state regulatory commissions to whom the Commission aims to restore exclusive jurisdiction to designate Lifeline ETCs.

For example, US Telecom asserts that the Commission should not conflate Lifeline support with broadband deployment goals, and that elimination of resellers from the program would not further broadband deployment but rather could only harm deserving Lifeline customers.[[5]](#footnote-5) This view is shared by other ILEC commenters, including ITTA and Verizon,[[6]](#footnote-6) as well as by non-ILEC commenters such as Sprint and INCOMPAS.[[7]](#footnote-7) It is also the view of wireless provider interests, including CTIA and Mobile Future;[[8]](#footnote-8) of “conservative” commenters such as ITIF, AEI, and the president of the Free State Foundation, as well as “progressive” civil rights and public interest commentators including MMTC and 12 allied groups and the Open Technology Institute of the New America Foundation.[[9]](#footnote-9) Also in accord are nonprofit broadband deployment advocates and low-income and senior constituent advocacy groups, including EveryoneOn and AARP.[[10]](#footnote-10) Of particular importance, there is nearly unanimous consensus on this issue among local telecommunications officials and state regulatory commissions, such as NATOA and the National League of Cities, the NARUC, and the state commissions of Ohio, Oklahoma, Florida and many others.[[11]](#footnote-11) In sum, nearly every interested party in this proceeding agrees that resale as well as facilities-based and hybrid services should continue to have a role in offering Lifeline-supported services to worthy low income households.[[12]](#footnote-12) The Commission should take due cognizance of this virtual unanimity, as well as of the clear commands of Section 214 of the Act, in adopting its final rules in this proceeding.

**CONCLUSION**

In light of the foregoing, AR Designs respectfully urges the Commission to conclude this proceeding as expeditiously as possible and to revise its Lifeline rules in accordance with the views expressed herein, to give certainty to State Commissions and to enable AR Designs and other Lifeline providers and applicants to expeditiously serve eligible low income consumers with critical high speed broadband and voiced services on a Lifeline-supported basis.

Respectfully submitted,

APPLIED RESEARCH DESIGNS, INC.

By\_\_\_\_\_\_\_\_\_\_\_\_/s/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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March 23, 2018

1. Comments of Applied Research Designs, Inc. in WC Docket Nos. 17-287 *et al.,* filed Feb. 21, 2018. [↑](#footnote-ref-1)
2. *See id.* at pp. 1-2. [↑](#footnote-ref-2)
3. *Id.* at pp. 3-4. [↑](#footnote-ref-3)
4. 47 U.S.C 214 (e)(1) (emphasis added). *See* AR Designs Comments at pp. 4-5. [↑](#footnote-ref-4)
5. Comments of US Telecom at 1-2. [↑](#footnote-ref-5)
6. Comments of ITTA at 2-3; Comments of Verizon at 8-10. [↑](#footnote-ref-6)
7. Comments of Sprint at 14-20; Comments of INCOMPAS at 4-7. [↑](#footnote-ref-7)
8. Comments of CTIA at 10-21; Comments of Mobile Future, *passim.* [↑](#footnote-ref-8)
9. Comments of ITIF at 4-6; Comments of Randolph J. May, President, Free State Foundation, at 4-5; Comments of MMTC *et al.* at 5-11; Comments of OTI at 21-25. *See also* American Enterprise Institute blogpost, *available at* <http://www.aei.org/publication/lifelines-proposed-reseller-ban-will-likely-harm-low-income-households/>. [↑](#footnote-ref-9)
10. Comments of EveryoneOn, *passim;* Comments of AARP at 12-15. [↑](#footnote-ref-10)
11. Comments of NATOA and NLC at 3; Comments of NARUC at 21-25; Comments of the Public Utilities Commission of Ohio, *passim*; Comments of the Public Utility Division of the Oklahoma Corporation Commission at 4-5; Comments of the Florida Public Service Commission at 1-3. [↑](#footnote-ref-11)
12. Even the comments of Betty Ann Kane, Chair of the D.C. Public Service Commission, who, in her personal capacity, generally supports a facilities-based restriction, express support for joint ventures of facilities-based and resale Lifeline service providers. *See* Comments of Betty Ann Kane at 10. [↑](#footnote-ref-12)