



**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	WC Docket No. 13-184
Schools and Libraries Universal Service)	CC Docket No. 02-6
Support Mechanism		

**REPLY COMMENTS
on the
DRAFT ELIGIBLE SERVICES LIST FOR SCHOOLS AND LIBRARIES
UNIVERSAL SERVICE PROGRAM FOR FUNDING YEAR 2017**

Administrative and Technical Consulting, Inc (AdTec, Inc) fully supports all of the Funds for Learning, LLC comments on the Draft Eligible Services List for Schools and Libraries Universal Service Program for Funding Year 2017. We also include additional observations that complement the FFL comments and urge the Commission to suspend temporarily any further Phase-Down of E-rate support for Voice Service.

- **Support of Voice Service is needed for education, public safety and public health**

AdTec, Inc. has consistently maintained the FCC violates its own rule when phasing-out voice service. The rule in question is 47 USC §254(c)(1)(A) which requires the FCC to support services that are essential to education, public health, or public safety. By phasing out voice service the FCC in effect is deciding which of its rules it will impose and which not to impose. AdTec believes all FCC rules have merit and all rules should be enforced. We encourage the FCC to view 47 USC §254(c)(1)(A) as an additional path along with wireless cellular and WiFi networks for the FCC to assist eligible E-rate entities to fulfill their responsibilities to the public they serve in providing education, public health, or public safety.

- **The public supports fees that are based on needs but does not necessarily support the building up of large fund balances for future events that may or may not happen**

The USF fee that is placed on telecommunications bills at the direction of the FCC is seen by the public as a tax. While the taxing unit (the FCC) may desire to maintain an exceedingly large cash balance (\$1.9 Billion and growing representing approximately 50% of what has been used/committed for each funding year FY2014, FY2015, and FY2016), taxpayers do not hold the same opinion. AdTec recommends the FCC acquire better statistical tools in determining future needs rather than burdening the taxpayers with excessive fees (taxes) which only result in increasing cash reserves. The statistical tools used for the development of the Modernization Order are somewhat suspect at best. The FCC is reminded that it is their “responsibility to be a prudent guardian of the public’s resources.¹”

- **Use this temporary suspension to fulfill the Commission’s directive to the Bureau**

Both Modernization Orders have had the unintended consequence of eliminating competition and best pricing for voice service. We predict that with the phase out of voice services, pricing will likely rise and will eliminate the need for service providers to provide Lowest Corresponding Price (LCP). Suspending the phase down might mitigate potential price increases and hold service providers accountable for providing LCP. AdTec has shared with FCC in past comments that a phase down to two levels of support at 40% and 20% makes sense. We continue to encourage the FCC to strongly consider a voice phase down but not a voice phase out.

Paragraph 135 of the First Modernization Order 14-99 states, “Over the first two years of the phase down for voice services support, we direct the Bureau to evaluate the impact of the phase down on eligible schools and libraries and study the transition of eligible schools and libraries to VoIP services and issue a report to the Commission as we continue to reduce voice support by 20 percentage points each year.²” Paragraph 143 “During the initial two years of the phase down of support for voice services, we direct the Bureau to study the impact of these discount reductions for voice support on E-rate recipients and to study the transition of eligible schools and libraries to VoIP services. The Bureau shall report its findings to the Commission by October 1, 2017, after completion of funding year 2016.³” While FY 2016 had just begun, we are clear on one thing, once the second Form 471 filing window closes, funding requests cannot increase. We believe waiting for the close of the FY 2016 funding year simply allows the hardship imposed by the voice



phase down to continue to roll forward. On July 22nd the FCC will have the data needed to complete the review of the impact the phase down has had on the levels of E-Rate funding available to applicants AND the impact that phase down has had on applicants. We encourage the Bureau to fulfill its directive and gather data from all stakeholders and prepare their report by October 1, 2016. We then ask the FCC to review that report and halt the voice phase down before the FY 2017 Form 471 filing window opens.

Respectfully submitted,

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¹ FCC 14-99, ¶50.

² FCC 14-99, ¶135.

³ FCC 14-99, ¶143.