

**Before the  
Federal Communications Commission**

<b>In the Matter of</b>	)	
<b>Protecting and Promoting an</b>	)	<b>GN Docket 14-28</b>
<b>Open Internet</b>	)	
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**Reply Comments of MobileWorks**

August 5, 2014

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## **Executive Summary**

MobileWorks helps thousands of people get fairly paid jobs via the Internet. The FCC's "open Internet" proposal envisions us paying for fast lanes or being competitively disadvantaged. Having to pay for fast lanes will directly put many of our workers out of work, plain and simple. Much of their work involves web research and access to high bandwidth streaming content. Unless we could afford a fast lane on multiple ISPs (while our workers also pay for high-speed internet access), our workers would be unable to carry out their work competitively for their customers. They wouldn't work, build valuable skills, and support their families. The businesses that rely on them would be deprived of these workers. Essentially, we would like the Chairman to know that his proposal would kill jobs—these particular jobs.

We commend the FCC for recognizing the importance of an open Internet and requesting our input. We are concerned, however, that the Chairman's open Internet proposal does not safeguard the Internet's historic openness that we have come to expect. It does not ensure the openness necessary for American innovation and prosperity to thrive. Chairman Wheeler's proposal would harm our company and the thousands of people who use our services to find employment and the businesses who hire them.

We urge the FCC to prohibit technical discrimination and paid prioritization, on both fixed and mobile connections, and to reclassify ISPs as telecommunications service providers subject to Title II of the Communications Act.

### **I. MobileWorks Creates Fair-Paying Jobs Around the World**

A trio of graduate students at the University of California, Berkeley founded MobileWorks in 2011. We are based in Berkeley, CA, and employ 13 people full-time in our offices. We plan to hire 15 more people in the year ahead. Additionally, we work with thousands of people in over 70 countries as virtual staffers; the largest population of our workers resides in the United

States. We've raised several million dollars in funding from some of the most respected investors in the world, including Andreessen Horowitz, Recruit Strategic Partners, Bee Partners, FirstLight Ventures, Hub Ventures, Y Combinator, and SV Angel. Our business customers include eBay, LinkedIn, Xerox, and others.

MobileWorks provides virtual staffing services to businesses worldwide. Using the open Internet, our company is reinventing traditional outsourcing. MobileWorks provides businesses with an accurate and socially responsible way to get work done by combining innovative software with a community of thousands of vetted, on-demand staffers from all over the world. Our main product is called LeadGenius, which focuses on sales and lead generation. It serves businesses who are starting to build out a sales team, and also serves business complementing an existing sales force. Currently, dozens of high-growth technology companies use our service to accelerate their sales development operations. We also offer other products including Premier, which is focused on virtual staffing of top-notch business assistants for busy executives, individuals and companies.

Central to our mission is ensuring fairly paid virtual work for underemployed people worldwide. MobileWorks's virtual work enables individuals to develop essential skills, to support their families, to enjoy flexible work schedules, and to reach educational goals. Our worker community receives a fair wage and the opportunity to gain valuable skills while working with leading companies. We strive to alleviate poverty by creating meaningful access to digital work at fair wages for women, young people, and unemployed populations worldwide. Ninety percent of LeadGenius workers were underemployed or unemployed before joining, and three out of four of them use their income to support their families. While we can provide many examples, consider one: a young man named Imran from Kenya who has found work through MobileWorks is saving money to pursue a Master's degree, which he says he otherwise could not afford without MobileWorks.

In only three years, we have made a significant impact on people's lives by providing employment and the opportunity for self-sufficiency in an unfriendly economy. We plan to continue our efforts to partner with businesses, development organizations, nonprofits, and researchers to discover ways that MobileWorks can improve even more lives and match even more people to fairly paid work.

## **II. We Could Have Never Founded this Company Under the FCC's Proposal**

The idea for MobileWorks began as a graduate school project at the University of California, Berkeley. The graduate student co-founders, Anand Kulkarni, Prayag Narula, and David Rolnitzky, wanted to create jobs for people who don't have access to a traditional job market. After winning a class contest, the founders were accepted into Y Combinator, which is widely considered the most successful and important startup accelerator in the world. Following Y Combinator, we raised additional rounds of investment.

We couldn't have founded the company if we had needed to pay ISPs for a fast lane to compete with the incumbents in our space. Our competitors included traditional temp agencies and big outsourcing firms (such as Adecco and Manpower, which control a \$9 billion industry). They also included other online marketplaces; Amazon had launched Mechanical Turk, an online marketplace to hire labor to complete basic tasks. We planned to differentiate ourselves by offering better incentives for workers by providing quality work, and create a motivated, fairly paid and conscientious virtual workforce.

A fast lane would have made it extraordinarily difficult for underfunded graduate students to have a shot in this market. Our competitors, including multi-billion dollar companies like Amazon, could easily have afforded to put themselves in a fast lane on the networks of multiple broadband providers. It was only because of the use of free tools and a neutral internet that we could launch a competitive commercial service with a small initial investment from outside

investors. We have since relied on raising subsequent rounds of investment. Investors would have been unlikely to fund us if our product could be unfairly discriminated against by ISP's through actions measured under a vague "commercially reasonable" standard. Indeed, under the Chairman's proposal, our competitors could have struck "exclusive" partnerships with ISPs merely to protect their existing market shares and margins. We would have suffered, as would the businesses and individuals who rely on us directly or who have benefited from the competition we have injected in the market.

### **III. The FCC's Proposal Threatens Our Company's Future**

MobileWorks directly enables hundreds of out-of-work Americans to work full-time, fair-paying jobs via the Internet. Such job creation contributes to a healthier U.S. economy. In fact, the White House has introduced several Jobs Initiatives over the past few years to aid U.S. families and encourage national economic recovery. MobileWorks is an innovative platform for job creation that depends on the Internet.

While we might not exist if the Chairman's proposal had been in effect in 2011, having to pay for fast lanes now will hurt us by diverting resources from engineers, fundraising, hiring, and helping more people find virtual work. Every single one of our MobileWorkers relies on high-quality home internet connections to do their jobs, and we don't want to pass on any additional cost or cut resources to pay for access fees or priority. Authorizing ISPs to create fast lanes and to engage in technical discrimination will result in fewer Americans finding fairly paid work, plain and simple. It will also harm the businesses that rely on MobileWorks for staffing. And it is directly at odds with the White House's initiatives to increase job opportunities in our economy.

#### **IV. We Do Not Have an Army of Lawyers to Negotiate With or Sue ISPs**

The right to complain to an FCC Ombudsman or sue Verizon and AT&T at the FCC under extremely vague standards (which allow them to discriminate against us) does not provide nearly as much comfort as the FCC Chairman seems to believe. At root, the big problem is that the FCC is proposing to authorize discrimination and paid prioritization, so we can expect to either pay for competitive access or to be competitively disadvantaged. If a deal offered is particularly egregious, apparently, we could try to make a case to the FCC. But we have no attorneys on staff and a modest legal budget. We do not want to expend valuable resources on tasks like negotiating with multiple ISPs, both in the U.S. and abroad with foreign ISPs, once they seek the same right to extract tolls and discriminate. Nor do we have the resources to work with an Ombudsman or bring litigation when we face “commercially unreasonable” offers.

We need strong network neutrality rules that keep the Internet as a level playing field. FCC Chairman Tom Wheeler should not preside over the transformation of the Internet from a level playing field that has been the greatest engine of innovation and growth the world has ever seen to being a discriminatory, heavily tolled platform controlled by an largely uncompetitive ISP industry. The Chairman’s proposal would allow ISPs to create new barriers to innovation that would harm startups like ours—and all those who may benefit for our services. It harms consumer choice, entrepreneurship, and will kill jobs.

We urge the FCC take this opportunity to reclassify ISPs as telecommunications service providers under the Title II of the Communications Act, with appropriate forbearance, and to adopt bright-line rules against unreasonable technical discrimination, paid prioritization and discriminatory exemptions from bandwidth caps, blocking, and access fees.

Respectfully submitted,

/s/ Anand Kulkarni  
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