

**Prepared Remarks of Chairman Julius Genachowski
Federal Communications Commission**

**Broadband Field Hearing on Small Business
Chicago, Illinois
December 21, 2009**

The Federal Communications Commission is in Chicago today as part of a public conversation over the shape of the National Broadband Plan that Congress and the President, through the Recovery Act, mandated the Commission develop by February 17, 2010.

Specifically, the FCC is charged with devising a plan that would bring broadband to every part of the country and to all citizens, ensure that broadband service is affordable, and detail how broadband can help tackle “national purposes” such as health care delivery, educational opportunity, energy efficiency, and others. Part of the national purposes section of the law includes the terms “entrepreneurial activity,” “investment,” “job creation,” and “economic growth.”

That brings us directly to small businesses -- a driving force in our economy. As a primary source of job creation in this country, small businesses have created over 93 percent of all net new jobs -- more than 22 million -- over the past 15 years. Home-based entrepreneurs employed more than 13 million people in 2008. And according to the Small Business Administration, as many as 650,000 new small businesses are created every year.

Broadband is critical to helping small businesses operate more efficiently and compete globally. For example, in Diller, Nebraska, a rural phone company with only 800 customers, upgraded to broadband and enabled a local business, Blue Valley Meats, to set up a Web site and reach customers around the world with its culinary offerings.

But over 50 percent of small businesses are still without Web sites. Many small businesses do not have access to a basic broadband connection. One estimate indicates that 26 percent of rural business sites do not have access to a standard cable modem and 9 percent don't have DSL. And many more do not have access to the high-speed, high-quality broadband connections that are critical in today's fiercely competitive global marketplace.

There is an economic consequence to this digital exclusion. When small businesses lack adequate broadband access, they miss out on burgeoning online marketplace. Small businesses increasingly see that their revenues are linked to online activity. Online retail sales will reach \$334 billion by 2012, and 20 percent of consumers go online daily to find a product or service.

Moreover, broadband also includes mobility. Mobile broadband is vital to business operations, but too few small businesses use it today. Nearly 75 percent of small businesses have little or no mobile broadband. But fortunately, that seems to be changing. Small businesses will spend \$28 billion on mobile in 2009.

I am thrilled to be here in Chicago to get input and insight from small businesses regarding opportunities surrounding broadband and how to shape our National Broadband Plan to maximize investment, entrepreneurial activity, and job creation. Thank you all for attending.