

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

**Cybersecurity and Small Business Roundtable  
Commission Meeting Room  
May 16, 2011**

Good morning. I hope everybody had a great weekend, and thank you all for coming.

Welcome to those joining us on our live Internet feed and on C-SPAN.

A special thanks to all of our distinguished participants, too many to name – I'll be introducing you shortly – but I would like to particularly thank former Homeland Security Secretary Michael Chertoff for joining us.

As many of you know, this is National Small Business Week. Accordingly, we've gathered to talk about an issue that's critically important to our economy – small businesses and their ability to seize the benefits of new technology and tackle cybersecurity threats.

And, in addition to this discussion, the FCC is releasing a tip sheet for small businesses and launching a new section on our website, FCC.gov, with basic steps small businesses should take to protect themselves.

American small businesses are key drivers of innovation, economic growth and job creation. Small businesses employ more than half of all private sector workers, and they have generated about two-thirds of net new jobs over the past fifteen years. And small businesses drive innovation. Small firms produce 13 times more patents per employee than large ones.

Broadband and information technology is increasingly important to the success of our economy, to jobs and to the future of small business. Broadband connectivity and online business tools enable small businesses to grow and jobs to be created anywhere. They allow small businesses to market their products and reach customers in the next neighborhood, the next city, the next state, and even overseas.

Consider Blue Valley Meats in Diller, Nebraska. This small business doubled its employees and boosted its sales 40 percent after setting up a Web site and selling its beef online.

Cloud-based services can increase also efficiency, lower costs, and improve a business's bottom line. More profit. More jobs.

A recent study found that having a broadband connection makes a \$200,000 a year difference in median annual revenues for businesses, by helping them reach new markets and increasing productivity.

While the opportunities of broadband are real, so are the challenges.

We face a deployment gap. Not every small business can get broadband. That's why we're modernizing our Universal Service Fund to help ensure all Americans are connected.

We face a spectrum gap. Demand for spectrum – fueled by smartphones and tablets – will soon outstrip supply. This matters to small businesses who want to use mobile to communicate internally – for example, with sales reps – or externally, helping people order products using mobile broadband. That's why we're working with Congress to authorize voluntary incentive auctions.

We've convened this roundtable today to discuss one of the biggest challenges our country faces – both for business and for our national security: the growing threats to cybersecurity.

Almost two years ago, the President declared that securing cyberspace was a vital strategic goal of the United States. Last week the White House delivered a roadmap to Congress on how to better protect the nation's infrastructure and critical U.S. industries from cyber threats. This afternoon, there will be another announcement on government-wide cybersecurity strategy.

I'd like to acknowledge the Administration's Cybersecurity Coordinator, Howard Schmidt, for his outstanding leadership, and many others like the leadership at DHS who have ensured cross-government collaboration on this critical topic.

Congress has also been actively considering legislative proposals that would include increased information sharing between the government and private sector.

It's vital that small business be in the cybersecurity equation. In many respects, small businesses have the most to gain from the Internet. But small businesses that don't take protective measures are particularly vulnerable targets for cybercriminals.

A recent Symantec study found that American small businesses lose billions annually to cyber-attacks, and 74% of small and medium businesses reported being affected by cyber attacks in the past 12 months. The average cost of each cyber attack to small and medium sized businesses is nearly \$200,000. In a moment you'll hear from a local businessman, Maurice Jones, who will talk about how a cyber criminal hurt his construction business.

Small businesses also often struggle to protect the confidential data of their customers. 42% of small and medium businesses surveyed reported the loss of confidential or private data in the

past 12 months and 40% experienced direct financial costs as a result. And almost half of small businesses don't back up their data. We're here today to help small businesses overcome these security challenges and seize the benefits of online commerce.

I expect today's discussion will reveal many steps small business owners can take to protect their company and their customers. But first, I'd like to announce a number of steps that the FCC and our partners – many of whom are here today – are taking to promote a safe and secure Internet.

First, the FCC is launching a Small Business Cybersecurity section on its website, [www.fcc.gov/cyberforsmallbiz](http://www.fcc.gov/cyberforsmallbiz), and releasing a cybersecurity tip sheet to help small businesses understand basic cybersecurity precautions.

The FCC is also partnering with the U.S. Chamber of Commerce, Symantec, McAfee, SCORE, and the National Urban League to distribute the cybersecurity tip sheet and online resources widely to small business owners across the United States.

The FCC is partnering with the SCORE eBusiness Now Program to provide cybersecurity expertise at SCORE events for small business owners around the country, plus at an event focused on cybersecurity to be held at FCC headquarters later this year.

The FCC is working with key education partners to ensure that the SCORE FCC training efforts and materials are tailored to a diverse range of small business owners and to assure wide distribution. Partner organizations include the National Urban League, the National Congress of American Indians, LULAC, LISTA, the National Black Chamber of Commerce, and the National Hispanic Chamber of Commerce.

The FCC is joining the public/private National Initiative for Cybersecurity Education (NICE) partnership led by NIST. The NICE partnership runs the *Stop. Think. Connect.* Campaign, which is designed to raise awareness among the American public about the need to strengthen cybersecurity—and to generate and communicate new approaches and strategies to help Americans increase their safety and security online.

Virtually all of these initiatives are collaborations with people in this room, and, as the National Broadband Plan emphasized, there is tremendous power in the government and the private sector coming together to help solve some of our nation's toughest problems, especially ones related to cybersecurity.

Thank you for your partnership. I look forward to today's discussion and to working with you to keep the Internet safe and to harness the power of technology to promote the success of small businesses and our economy.