

**REMARKS OF FCC COMMISSIONER AJIT PAI
AT THE GREATER DALLAS ASIAN AMERICAN CHAMBER OF COMMERCE
AWARDS GALA**

DALLAS, TEXAS

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I am honored to have been invited by the Greater Dallas Asian American Chamber of Commerce to speak at your annual Awards Gala and would like to congratulate all of tonight's winners. Each award recipient exemplifies the theme of this event—"Breaking Barriers, Moving Forward"—in his or her unique way.

I thought that I would start off this evening by telling you a little bit about my family because their story might seem familiar to many people in this room. My parents were raised in India and came from humble origins. One of my grandfathers ran a spare auto parts shop; the other was a file clerk for an oil company.

My father and mother each went to medical school. In 1971, they came to the United States with little more than ten dollars and a radio. Why did they make that journey halfway around the world? They saw America as a land of promise, a place where they could go as far as their hard work and talents would take them.

Shortly after I was born, my parents moved to Canada to continue their medical training. After a few years, they had a choice to make: Should they practice in the Great White North or in the United States? This was an easy decision. They wanted to work in this country. The United States gave them the chance to be entrepreneurs, to build their own practice, and to treat patients without a looming government bureaucracy. Their choice reflected their values. They didn't come to the West hoping that government would give them a better life; they came here so they could build a better life for themselves.

To this day, my parents retain a healthy skepticism of government. For example, when I was informed by the White House that the President intended to nominate me to serve on the Federal Communications Commission, I was honored and quite excited. But when I called home to share the good news, my mom's reaction was not what I expected. She didn't seem thrilled at the prospect of me leaving the private sector. She wanted to know whether being an FCC Commissioner was a part-time job. Did it pay? Could I still remain a partner at my law firm? Fifteen years after graduating from law school, thirty years after asking why I got a 95 on a test instead of 100, she was still worried that I might be coming back to live in my old bedroom in our Parsons, Kansas home.

My parents' story shares much in common with those of so many Asian-American immigrants, and in particular, Asian-American entrepreneurs: a belief in the importance of individual initiative; a determination to forge their own path; and a strong desire for their children to have a better life.

To be sure, our country hasn't always been a hospitable place for Asian Americans. The history is as painful as it is familiar. We used to have discriminatory immigration laws, such as the Chinese Exclusion Act, and, most shamefully, we set up internment camps during World

War II. Despite these challenges, Asian-American entrepreneurs have overcome adversity and prospered through hard work and sheer determination.

For example, Chinese-Americans in California faced widespread discrimination in the latter half of the nineteenth century. As they were systematically excluded from professions, they had few options left for supporting themselves. So many of them turned to starting their own laundries, an occupation thought of as undesirable by the broader society. After all, cleaning clothes was physically demanding and generally associated with domestic servants. But as Chinese-American laundries proliferated, the government even tried to block them from *that* business.

In preparing for tonight's event, my thoughts turned to Sang Lee. He was a Chinese immigrant who owned a San Francisco laundry. Like virtually all laundries in San Francisco at the time, Mr. Lee's business was located in a wooden building. But in 1880, the City of San Francisco enacted an ordinance forbidding anyone from operating a laundry in a wooden building without a permit from the Board of Supervisors.

The City claimed that the law was motivated by safety concerns. But when the time came for laundries to apply for permits, a striking pattern emerged. Virtually all of the non-Chinese laundries were granted a permit. Only one of about 200 Chinese laundries was so lucky. Recognizing this injustice, Mr. Lee kept his laundry open even though he didn't have a permit. The City fined him and then imprisoned him for refusing to pay.

His case made it all the way up to the U.S. Supreme Court. In a landmark decision known as *Yick Wo v. Hopkins*, the Court ruled in favor of Mr. Lee. It stated that San Francisco's administration of the ordinance was racially discriminatory and violated the Equal Protection Clause of the Fourteenth Amendment to the Constitution. The Court's 1886 decision was a hopeful sign that all Americans would be free to pursue their livelihoods and treated equally under the law. But just ten years later, that promise was extinguished for decades when the Court gave its blessing to the noxious racial doctrine of "separate but equal" in *Plessy v. Ferguson*.

Fortunately, our nation has changed dramatically since the end of the nineteenth century. Two states where Jim Crow was firmly entrenched—Louisiana and South Carolina—now have Asian-American governors. We legislate in Congress, we preside in the courts, and yes, we have the privilege of serving in federal agencies. Indeed, Asian-Americans even star in prime-time television series, such as *Elementary*, *Hawaii Five-O*, and *Parks and Recreation*.

And just look at how far Asian-Americans have come in the world of business. Today, for example, the CEOs of Microsoft, PepsiCo, and MasterCard are Asian-Americans. These executives are role models who have paved the way for the Asian-American business leaders of tomorrow.

And that wave may be coming. Today, there are about 1.5 million Asian-American owned businesses in the United States. Those firms employ 2.8 million people. That's about the same population as my home state of Kansas! Indeed, over half of all minority-owned businesses with employees are owned by Asian-Americans.

Most of these firms are small. For example, after years of learning the restaurant business, Ahn Vo started Cindi's New York Deli and Bakery at single location in Dallas. Last year, after Cindi's expanded to five restaurants, Ahn won the Greater Dallas Asian American

Chamber of Commerce's Woman Entrepreneur of the Year Award. When asked how a self-described "shy, dainty Vietnamese woman" could go from traveling with a 19-day-old baby to the United States on a small boat in the 1970s, penniless and unable to speak English, to owning New York delis and bakeries, she has a simple answer: "Only in America!"

Entrepreneurs like Ahn know that growing a small business is hard work. The hours can be long, the competition can be stiff, and there generally isn't a net to catch you if you fall. Often, it can seem as if you're only one mistake or misfortune away from failure.

Considering all that, the last thing we want or need is for the government to make it even tougher to succeed. But that's what too often happens. Small businesses too often face high taxes and strict regulatory mandates. They too often have to navigate through complex rules without the expensive legal help that large corporations can afford. They too often confront licensing schemes designed to protect entrenched incumbents from competition. And they are too often subject to frivolous lawsuits that run the risk of driving them out of business. It all reminds me of what I've been told are the scariest words in the English language for a small business owner: "I'm from the government and I'm here to help."

It's no wonder that over the last few years, for the first time since data has been kept, our nation's business death rate has been higher than its business birth rate. Consider the example of Ash Patel. This Indian-American entrepreneur used to own salons right here in Texas that offered eyebrow threading.

For those of you who aren't familiar with the activity, threading is an ancient grooming technique that uses cotton thread to shape and remove eyebrow hair. It is safe; no chemicals, dyes, or sharp objects are used. Threading is widely practiced in South Asia and the Middle East, where each generation passes the art down to the next.

Unfortunately, the Texas Department of Regulation and Licensing decided a few years ago that eyebrow threaders first had to obtain a cosmetology license before being able to work. That requires up to 1,500 hours of instruction at a government-certified beauty school. And what will they learn? Well, these schools don't even teach threading. Then, after taking these classes, they are required to pass a government-approved cosmetology exam. And does the exam test for threading? Again, the answer is no. So how does it make sense to require eyebrow threaders to spend a year of their life and over \$20,000 to obtain a cosmetology license?

Well, it doesn't. And these irrational regulations have devastating consequences. Following the state's crackdown on eyebrow threaders, Mr. Patel was forced to close his salons because he couldn't find threaders with cosmetology licenses. But like most entrepreneurs, he hasn't given up. Instead, he and others have challenged the constitutionality of this licensing scheme. The case is currently in front of the Texas Supreme Court. Mr. Patel summed up what victory would mean to him: "I grew up in India and I found it difficult to land on a good opportunity to start my own business. That's why I came to Texas. I am only asking for a fair chance to pursue my American Dream free from needless government regulation." I hope that he gets that chance.

Now, just to be clear, I didn't come here tonight to mess with Texas. Fortunately, the Lone Star State's treatment of eyebrow threaders is the exception rather than the rule. Indeed, Texas is one of the best states in our nation to be an entrepreneur. (I would say the best state but I'm loyal to my home state of Kansas.)

The facts speak for themselves. When it comes to job creation, Texas has led the way for years. In fact, over the last ten years, 29% of all jobs created in the United States have been in Texas, even though the state accounts for only eight percent of our nation's population. Furthermore, according to a recent study by the Federal Reserve Bank of Dallas, Texas has been creating high-paying jobs at a far greater rate than the rest of the nation. And Texas now leads the nation in creating technology jobs. For ten straight years, Chief Executive magazine has ranked it the best state for business. And according to the Fraser Institute, Texas ranks second out of 50 states when it comes to economic freedom. So the stars at night aren't the only things that are big and bright deep in the heart of Texas.

Why has Texas been so successful? It's no accident. The leadership of this state understands how to encourage entrepreneurship, job creation, and economic growth. They've cut taxes, reduced regulatory burdens, and curtailed abusive lawsuits. The results have benefited all Texans.

That brings me to an important point. Government policies that lead to a favorable business climate don't know race, color, or nationality. They help *every* entrepreneur—Asian-American, Latino, African-American, Anglo, and others. This is critical in Texas because, notwithstanding the stereotypes, this is a richly diverse state. In fact, it's a majority-minority state.

Of course, when people think of Asian Americans living in the United States, Texas generally isn't the first state that comes to mind. And believe me, as an Indian-American from Kansas, I know what it's like to see the slightly surprised look on someone's face when you say where you're from.

But there are over 114,000 Asian-American owned businesses in Texas, the third-most in the United States. Here in Dallas alone, there are almost six thousand. These businesses run the gamut from energy to engineering, high-tech to the arts.

At the Greater Dallas Asian American Chamber of Commerce, you are helping these businesses to grow and helping new ones to get started. This is vital work, and I salute you for all that you do. Your organization, like the broader Asian-American community, is diverse. Your membership spans more than 20 ethnic groups. But it is what unites you that is most important.

Let me close with a story that I think might illustrate what that is. My local dry cleaner is run by a Korean-American family. I've gone there for years. The family is always there—always working, always working. The husband, in particular, is very business-like. He takes orders, returns clothes, and that's about it. One day, I walked into the dry cleaner to pick up some clothes. I noticed he was wearing a new, dark blue jacket with a big, white "Y" on the front. I asked him why he was wearing the jacket. For the first time I could recall, he broke into a big smile that somehow was as serious as it was joyful: "My daughter is going to Yale."

I knew that smile. For I had seen it myself, when I told my father in the spring of 1990 that I had been accepted at Harvard. I remember sensing in his reaction what I felt from the owner of the dry cleaner, even though neither said it: all those sacrifices, all those risks, all those long hours, all those times when it seemed uncertain whether the family would make it or not—it was all worth it for that moment when they finally could believe that they and their children were on the path to the American Dream. Korean or Indian, Lebanese or Lao, that smile reflects a

universal desire that can be—and for so many of you has been—uniquely realized in this great country.

You believe, like I do, in the importance of economic empowerment. You believe, as I do, that all Americans should have an equal opportunity to pursue their dreams. You believe, as I do, in the dignity of hard work. And you believe, as I do, that encouraging individual initiative and providing a helping hand to others in your community aren't mutually exclusive.

So I will close with a simple message: Thank you for everything you do to make the American Dream possible for so many Asian-American business owners. Keep up the good work.