

**STATEMENT OF  
CHAIRMAN TOM WHEELER**

Re: *Section 257 Report to Congress on Entrepreneurs and Other Small Businesses.*

Without question, small businesses are a big deal for our economy. Small businesses employ about half of all private-sector employees, and account for nearly two-thirds of net new jobs. More small businesses also means more competition, which drives consumer benefits like lower prices and better products and services. My experience as a small businessperson and as an investor helping entrepreneurs start and grow new ventures has reinforced the invaluable role small businesses play in fueling our economy and U.S. competitiveness.

The Telecommunications Act of 1996 wisely directed the FCC to pay more attention to small business. The idea was that opening up the telecommunications networks to new and small players would bring innovation and new choices for consumers. Section 257 of the '96 Act instructs the FCC to report to Congress every three years on the actions the FCC has been taking to eliminate barriers for entrepreneurs and small businesses. I am proud to submit the accompanying report, which fulfills this obligation, and highlights significant progress by the Commission to promote the interests of small businesses and entrepreneurs.

As this report makes clear, one of the most significant ways the Commission has empowered small businesses is our work to promote fast, fair, and open broadband networks. We all know the stories of young entrepreneurs who used the open Internet to start companies in dorm-rooms and garages that would eventually topple incumbents to become world-leading companies. But fast, fair, and open networks don't just offer a platform to build web-based companies, they also help small brick-and-mortar businesses grow. The Internet enables business owners to sell to new customers across the country or even around the world, in addition to improving operations, boosting productivity and lowering costs.

Our *Open Internet Order* protects entrepreneurs and small businesses' free and open access to the Internet, enabling innovation without permission. At the same time, we forbear from sections of Title II like rate regulation and unbundling that might reduce network owners' incentives to continue building out their networks and investing in new technologies like 5G.

In addition to this work to empower small businesses in all areas of the economy, the Commission has taken a number of actions designed specifically to expand opportunities for upstarts in the communications sector.

The 1996 Act did not change the basic economics of building and running large communications networks. Whether they are wireless or fixed, operating these networks is a capital-intensive undertaking. It requires the purchase of expensive inputs like spectrum, optical fiber, and radio antennae, plus the additional administrative and legal expenses of deploying these resources in the cities, towns and rural communities where

network users live and work. That's why, for example, the Commission reformed its "designated entity" rules for the first time since 2006 to promote the participation of rural carriers and small businesses, including those run by minorities and women, in spectrum auctions. In its recent auction rules and spectrum policymaking, the FCC has also reduced barriers to entry for new and smaller providers by promoting device interoperability, reserving spectrum for non-nationwide providers, and creating geographically compact license areas that are more suitable for smaller bidders.

Section 257 calls on the Commission to promote diversity of media voices. To that end, we have issued hundreds of new low-power FM licenses to serve local and underrepresented communities and it has used bidding credits to help dozens of new entrants acquire commercial FM and AM licenses.

Finally, section 257 invites the FCC to propose statutory steps Congress could take to remove barriers and create opportunities for entrepreneurs and small businesses. Our report offers a number of proposals for Congress' consideration, including preferential tax treatment for small communications businesses, support for the NG 911 transition, and policies like "dig once" that will speed up the deployment of broadband infrastructure to unserved communities.