



Broadband

Opportunities, Risks and Recommendations for Small and Disadvantaged Businesses

Comments and Recommendations of the
U.S. Women's Chamber of Commerce™ for the
Federal Communications Commission Workshop
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Introduction



BROADBAND = OPPORTUNITY

- The investment and advancement of broadband and the resulting communications channels and advances bring tremendous opportunities for businesses, communities and individuals.
- Broadband investments will create jobs and business opportunities, create and expand new markets, reduce energy costs, improve health and education, improve quality of life through time saving and increased connectedness.



Introduction



BROADBAND = RISK

- Historically government spending flows disproportionately to large, non-minority, male-owned businesses.
- This large government investment runs the risk of redistributing tax dollars to large companies while leaving out important sectors of American taxpayers.
- Consequently the great promise of broadband, could simply turn into a boon for large businesses.

Introduction

BROADBAND = RISK



- The results of broadband, wireless and web-based technologies and communications may:
 - Increase competition for small and disadvantaged businesses
 - Place new and challenging communications and technology demands on small businesses
 - Create hubs of activity and leadership that are not open to small and disadvantaged businesses
 - Foster a climate where large businesses can create barriers to entry in industries that lock-out small and disadvantaged businesses



Spur Growth

How can broadband be used to spur the growth of small/disadvantaged businesses (SDBs)?

- What needs to be done to encourage small and disadvantaged businesses to become part of this information and wealth connector highway?
- Will institutions need to play a collaborative role in bringing SDBs up to speed on the advantages of resources available?



Include Us

Include small, women-owned and disadvantaged businesses in the core of broadband infrastructure building

- Don't simply include statements of inclusiveness in your materials. Set purchasing and grant award objectives that assure small, women-owned and disadvantaged businesses secure a fair share of the billions to be spent and awarded.
- Provide 100% timely transparency in the awarding of the billions of dollars in contracts and grants. Let America see the inclusiveness and fairness.



End Contracting Disparities

An example of the disparities women-owned firms face in government contracting

- Women are majority owners of over 30% of all firms in the United States. And yet, the federal government has NEVER met the paltry goal of awarding 5% of federal contracting dollars to women-owned firms.
- The shortfall for women-owned firms is \$5-6 BILLION dollars annually.
- Will the awards for broadband infrastructure, training, and use do better?



Access to Resources

Assure the necessary access to capital, influencers, and resources

- Small, women-owned, and disadvantaged businesses are ready to be part of the development of our country's broadband infrastructure and resulting business opportunities.
- The issue is not desire to be part of the broadband revolution. The issue is the growing disparity of capital access, access to influencers and markets.
- Increase access to capital. Protect against industry collusion. Outreach and include us in key development discussions – not just these workshops.



Access to Resources

Access to Capital

- Assist small businesses that are active in broadband related activities to secure the capital and cash flows needed to grow and participate in government (tax payer) funded opportunities.
- Assure expedient payments from the government for work provided by small businesses, and for the flow from prime contractor payments to small businesses.



Access to Resources

Access to Capital

- Establish a Small Business Administration task force to engage with businesses seeking to or already participating in broadband-related activities.
- Continue and expand investments in SBIR (Small Business Innovative Research) and STTR (Small Business Technology Transfer Program)



Include Us

Include Small Businesses in the Mainstream

- Invite and include small business owners in the types of industry meetings held by government and regional leaders that typically only include big business.
- The type of forum held here today provides you with an excellent chance to hear our voice. But, will you also be including small business guests at your non-small business workshops and at broader industry planning meetings?



Protect Us

Guard against anti-competitive trade practices

- In many ways, broadband, the resulting technology assets, and the new markets are very vulnerable to anti-competitive practices that may inhibit the ability of small, women-owned and disadvantaged businesses to compete
- Examples: exclusive dealings, barriers to entry, price fixing, refusal to deal, tying of products, coercive monopolies, government subsidies, absorption of competitors or competing technologies, regulations, protectionism, digital rights management



Protect Us

Anti-competitive trade practices

- Establish education for small businesses to help them identify anti-competitive trade practices and communicate with the FCC when these types of obstructions are found. Put a watch dog in place to specifically assist small businesses facing anti-competitive trade practices.
- End the domination of large corporations that control the commercial sector certification of small, minority, and women-owned firms and may use their domination to keep out unwanted competitors.



Include Us

Build hubs of activity strategically and drive inclusiveness

- Broadband and resulting technologies are creating new industry opportunities. Often, technology transfer is closely aligned with universities, and government or industry created hubs.
- The proximity of these hubs may naturally exclude small and disadvantaged firms. Build inclusiveness by establishing satellite hubs of opportunity that connect with and include small and disadvantaged businesses with the mainstream of activity.



Educate Us

Entrepreneurial education inclusive of the new opportunities and challenges

- The Small Business Administration is revamping its entrepreneurial education programs to include much more use of e-learning.

This new SBA learning system should be at the core of the FCC's objectives to educate small businesses on the use of broadband. And, the SBA education should have a strong channel assisting small business owners to maximize their opportunities via broadband, wireless communications, and the Intranet.



Educate ALL of Us

Entrepreneurial education should include language and cultural openness

- Entrepreneurial education programs should include language and cultural openness.

Many small and disadvantaged businesses face barriers to entry due to language and cultural differences. We are all Americans. Our entrepreneurial education programs should embrace our differences as assets that can be leveraged to assist our diverse entrepreneurs to reach within and beyond our borders to all business and consumer communities.



Identify Obstacles

Identify the obstacles, barriers to entry and issues where scale is an issue

- All broadband is not created equal. Rural and lower income urban areas may not have access to the type of high speed, large transfer demands faced by small businesses. The objectives of businesses that provide broadband may not be fully in alignment with our country's desire to open the doors to opportunity for all.
- We may need to provide assistance and incentives to broadband providers to assure that all Americans can access the type of broadband services that are necessary for small businesses to grow and be competitive



Recognize Risks

E-Commerce

New opportunities, costs, and risks

- The e-commerce revolution is here – opening new markets, helping businesses to reach and communicate more broadly, and helping businesses, families and consumers to make online purchases and payments.
- This revolution both opens the doors to new opportunities for small, women-owned and disadvantaged businesses – and creates significant new problems.



Recognize Risks

E-Commerce

New opportunities, costs, and risks

- **More competitors:** With more and more purchasing done online, a regional provider of goods and services has more and more competitors. The costs and methods to remain in front of one's customers are changing.
- **Where a business used to feel they needed a web-site presence to present an upstanding/professional look, now they must have both a website, online support/customer support, e-commerce, and 24-hour capabilities.**



Recognize Risks

E-Commerce

New opportunities, costs, and risks

- The Pew Research Center's Internet & American Life Project found that 73% of Americans that use the Internet, on any given day 20% of Americans use the Internet to look for information about an online service or product they are thinking of buying.
- This creates incredibly strong competitive pressures for small, women-owned and disadvantaged businesses.



E-Commerce Costs and Risks

E-Commerce - New opportunities, costs, and risks

- The layers and layers of technology and profits contained within e-commerce financial transactions drives down profit margins.
- Large businesses have a tremendous advantage in establishing e-commerce payment systems and negotiating fees. We support governmental reform, transparency, and competition in e-commerce.
- E-commerce security is also becoming more and more challenging for small businesses.



Include Us

How do we ensure the inclusion of SDB in the future build-out process?

- Much of the work to build infrastructure is widely dispersed rather than concentrated in exclusively large metro areas.
- This geographic range is a perfect match for small, women-owned and disadvantaged businesses.
- Include proximity and broad disbursement of these funds as weighting factors in your selection of contractors.



Level the Playing Field

How do we ensure the inclusion of SDB in the future build-out process?

- Include our businesses in your mainstream development meetings – not just “small business” or “disadvantaged business” meetings.
- Provide high goals for the amount of government (tax payer) money spent with our businesses.
- Provide quick and complete transparency for how and with whom this money is spent.
- Provide access to capital and assure prompt payments.



Invest Wisely

- The investment in broadband will have a great impact on the future of America, our businesses, and our communities.
- We welcome and encourage your thoughtful consideration and inclusion of small, women-owned, and disadvantaged businesses in this great endeavor.
- We encourage your thoughtfulness in the use of our money to lay the groundwork for the future and hope you will include us in every step you take.
- The investment in broadband is an opportunity to build monetary and community inclusiveness.



Thank you

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