

September 14, 2016

Dear Members of Congress,

We are a group of entrepreneurs and innovators developing new technologies, creating jobs, and driving the Internet economy. We encourage you to support the Federal Communication Commission's (FCC) efforts to foster broadband innovation, investment, and competition by reforming the broken "business data services" (BDS) market.

Improving the country's Internet ecosystem is critical to growing the entrepreneurial economy. Internet access is a key input in the growth of our nation's tech sector, and startups depend on a healthy and competitive broadband market to connect with users, develop innovative products and services, and run their daily operations. While the work of Chairman Tom Wheeler's FCC has been hugely important to the continued success of the startup economy, there is still much to be done to fix the lack of competitive choices for broadband access. One area in particular need of reform is the BDS market, which is dominated by just a few massive companies. According to data collected by the FCC, 97% of the market for these high-capacity broadband lines is controlled by one—and sometimes two—providers.

When starting and scaling a company, every dollar counts. A recent report from the Internet Innovation Alliance found that access to quality broadband can save startups an average of \$16,000 annually. For the archetypal entrepreneur starting a business in their garage or dorm room, \$16,000 can make all the difference between moving forward with their dream or throwing in the towel. Increasing competition ensures America's entrepreneurs can use their limited funds building their businesses rather than lining the pockets of a few huge incumbents.

Better, faster, and more affordable broadband networks fuel the startup economy, and the only way to achieve lower broadband prices and higher speeds is through increased competition. Chairman Wheeler has repeatedly indicated his intention to bring much-needed relief to the American businesses struggling under the weight of BDS overcharges, which have cost the U.S. economy over \$150 billion in economic losses over the past five years alone. These overcharges represent a hidden tax on all startups—money that would be better spent on hiring new employees, improving products, and driving growth. We fully support the Chairman's goals and urge him to move quickly towards reform. This relief will lower the costs of launching businesses, which will result in increased startup activity, more investment, new jobs, and increased innovation. It is time for the FCC to finish the job it has so admirably taken on: building a robust, competitive Internet economy.

Advancements in broadband and the wireless ecosystem have fueled innovations in everything from text messaging to the gig economy. No one can predict what the businesses of the future will look like, but with forward looking policies, we can ensure the startups of tomorrow will have the tools to grow, thrive, and create incredible new technologies.

¹ Internet Innovation Alliance, Start-Up Savings

² Dr. Mark Cooper, The Special Problem of Special Access: Consumer Overcharges and Telephone Company Excess Profits

We urge you to support the FCC's efforts to ensure that real reform happens now. America's entrepreneurs are counting on it.

Sincerely,

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