Why it matters to startups:

Thanks to the Internet, an entrepreneur located anywhere in the country can launch and grow a company that reaches users across the world. Increasing reliable, affordable broadband access—through wireless and wireline connectivity, devices, and digital literacy resources—creates more opportunities for innovation and entrepreneurs. Startups also need net neutrality protections—to prevent ISPs from blocking or throttling Internet traffic, or charging companies for better access to users—to ensure the Internet is that level playing field. Startups also benefit when there is increased availability of unlicensed spectrum, the shared airwaves that fuel Wi-Fi networks. Unlike licensed spectrum, which is typically only held by deep-pocketed wireless incumbents, unlicensed spectrum is available for use by anyone that abides by set standards. Increases in the availability of unlicensed spectrum have created vast opportunities for the companies that make and use technology that relies on the high-frequency airwaves—such as connected devices—as well as generally improving Wi-Fi networks across the country.

Key takeaways:

- Startups need policymakers at all levels of government to prioritize more reliable, affordable, and accessible broadband across the country.
- Net neutrality is crucial for startups and provides a level playing field online. Without net neutrality protections, Internet Service Providers (ISPs) can block, throttle, or charge more to prioritize certain Internet traffic.
- Startups especially stand to gain from increasing unlicensed spectrum, which fuels Wi-Fi networks and short-range wireless connectivity and creates new opportunities for innovation.

What policymakers can do:

Policymakers should continue working to improve broadband access across the country by increasing the amount of spectrum available for use by the public and by pushing ISPs to build out broadband access in underserved areas. Early in the pandemic, when Internet access became even more critical, Congress passed a handful of bills aimed at closing the digital divide, including by creating the Affordable Connectivity Program and the Emergency Connectivity Fund. The National Telecommunications and Information Administration is now tasked with working with state governments to administer the billions of dollars set aside as part of the recently-passed Infrastructure Investment and Jobs Act.

Policymakers should also reinstate strong net neutrality protections to ensure that the Internet is a level playing field and guarantee that startups don’t have to worry about their large competitors paying ISPs for better, faster access to users. After years of attempts and legal challenges, the Federal Communications Commission (FCC) in 2015 adopted strong net neutrality rules. But the FCC reversed course in 2017, repealing the 2015 rules and replacing them with weaker obligations for ISPs to disclose how they treat Internet traffic. Policymakers can create certainty for startups and promote competition by putting in place commonsense net neutrality rules.

Startup Spotlight

Lakeshore Advantage
(Holland, MI)
Amanda Chocko, Director of Entrepreneurship

Lakeshore Advantage is a nonprofit economic development organization that supports startups, entrepreneurs, and businesses in West Michigan.

"Increasing broadband access locally and across the state would have a positive impact on startups. It’s a big issue in our region, and there’s a collective of organizations—including our local municipal utility—working to increase access to Internet services. Attracting more companies to the region, bringing in the talent of the future, and educating our students and tomorrow’s startup founders is all reliant on access to high-speed Internet."