

April 4, 2024

Secretary Marlene H. Dortch  
Federal Communications Commission  
45 L Street, NE  
Washington, D.C. 20544

**Re: Safeguarding and Securing the Open Internet, WC Docket No. 23-320**

Dear Secretary Dortch,

Re: Safeguarding and Securing the Open Internet, WC Docket No. 23-320

On behalf of the National Diverse Chambers of Commerce signed below, we respectfully submit our comments in response to the Wireline Competition WC Docket No. 23-320 captioned “Safeguarding and Securing the Open Internet”. The Rule is attempting to reclassify broadband as Title II common carriers while reinstating net neutrality rules. The signatories of this letter respectfully ask the Commission to abandon this misguided rule to protect our communities and the diverse-owned businesses we serve across the country.

We collectively represent millions of diverse minority entrepreneurs and minority-owned businesses that depend on fast, open, affordable, resilient, and secure broadband connections to communicate with their customers, their suppliers and partners, and their workforce. The COVID-19 pandemic highlighted just how essential broadband networks are to our lives and it demonstrated how robust these networks are even under unprecedented demand. We have emerged from the pandemic with a resilient economy due in no small part to our strong and reliable broadband connectivity built by private investment with the correct regulatory environment.

Thanks to significant ongoing private investment by broadband providers and unprecedented levels of public funding, broadband internet access is poised to expand dramatically in the near future. In the years ahead, fast, reliable broadband can and hopefully will reach everyone across the country and will do so via a range of competing technologies (fiber, cable, fixed wireless, satellite, and mobile wireless). Universal broadband will not only open new markets for businesses to sell products and services but will also create a new workforce and entrepreneurial opportunities for households and businesses that don't have access to robust connectivity today.

Applying Section 214 to broadband would do devastating damage from the provider to the consumer, with everyone feeling the effects. Regulatory delays, stemming from the need for the FCC to approve new products introduced to the market would slow the unprecedented, and much needed, broadband deployment that we have seen in the United States over the last few years. This would seriously hinder the advancement of new technologies and significantly slow the upgrading of older technologies, ultimately creating a barrier to capital investments. As such, the work to provide every American quality broadband would be threatened. Those effects would be felt by our diverse small and medium sized businesses (“SMBs”), who are the backbone of the supply chain to ensure the infrastructure needs of the broadband providers are met. These diverse SMBs that provide essential services, such as electricians, construction workers, cable installers, and many others, would have their livelihoods and business aspirations limited by this course of action.

As representatives of the country's fastest growing business communities, we understand the need to ensure that regulation of a dynamic industry does not dampen needed future investment or undermine other priorities. There are no greater broadband policy priorities today than (1) finally closing the digital divide in our country and connecting the remaining millions of unserved and underserved homes and businesses, and (2) continuing to incentivize providers to invest in their networks and compete fiercely. Given how well the competitive broadband industry has performed on a largely unregulated basis since 2018—and without any “net neutrality” issues to speak of—we simply do not see a good reason for the Commission to re-impose an antiquated and burdensome Title II regime. Beyond that, we are concerned that outdated and unnecessary utility rules could needlessly detract from these priorities. Instead of focusing on last decade's fight, we should be looking ahead to unleashing the full power of the internet.

The key broadband policy priority is to connect all households and businesses to the internet and to ensure vulnerable households and businesses stay connected. This is no small task. Congress and the Administration's signature \$42.5 billion in Broadband Equity, Access, and Deployment (“BEAD”) funding is being rolled out nationwide through competitive grant programs. Broadband providers that are interested in applying for these funds must not only navigate complex requirements in each state, but also budget for their own matching funds and their costs of operating these networks over the long term. The new networks built with BEAD funds can finally close the digital divide if there is broad private participation in the program and costs are kept in check. Asking broadband providers to make these decisions at the same time as the Commission imposes sweeping new utility regulation of broadband may well be a deterrent to applying. At a minimum, it creates significant new regulatory uncertainty.

The European Union (“EU”) has employed their own version of Section 214 for many years. It is no secret this has led to a lower broadband investment than the United States and consequently, their broadband networks are vastly inferior to those of the United States. Recently, EU regulators have begun campaigning to move away from the devastating regulation to increase investment in the broadband sector with the hope of catching up to the United States.

Of course, continuing to incentivize ongoing private investment and rapidly increasing competition in the broadband marketplace is no less critical. These positive dynamics ensure that the companies we represent will continue to benefit from even better service and options in the years ahead. Heavy-handed regulation will have the opposite effect. Broadband providers have rushed to compete for the business of this market segment by offering a range of high-quality services at different price points—all while increasing speeds overall year after year. According to the FCC's data, the total number of residential and business subscriptions of speeds at least 100/20 Mbps more than tripled between December 2017 and December 2021 (from 12 million to 43 million).<sup>1</sup> There is no doubt that this figure is significantly higher in 2024. Today, wireline business providers typically offer gigabit service to SMBs along with a range of other service options.<sup>2</sup> And providers

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<sup>1</sup> FCC, Internet Access Services Report, Fig. 23 (rel. Aug. 2023), <https://docs.fcc.gov/public/attachments/DOC-395960A1.pdf>.

<sup>2</sup> See Danielle Braff, *Best Business Internet Providers of 2023*, US News (updated Sep. 25, 2023), <https://www.usnews.com/360-reviews/services/internet-providers/best-business-internet-providers> (detailing plans by, among others, AT&T, Verizon, Frontier, Cox, Charter, and Comcast that offer 940 Mbps or higher speeds to business customers).

utilizing different technologies are actively rolling out new services to meet business customers' growing demand.<sup>3</sup>

The highly competitive broadband marketplace has also ensured that broadband pricing for SMBs remains reasonable and market based. As a recent study by McKinsey noted, SMBs can and will switch providers if pricing is not to their liking: "40 percent of SMBs will consider switching providers if they can get a better deal. The smallest companies are even more likely to do so: among companies with fewer than 25 FTEs, 60 percent indicate that they will switch providers in response to any increase in price."<sup>4</sup> As the McKinsey study further detailed, the SMB marketplace "include[s] a highly competitive vendor ecosystem." As a result, broadband providers, and other tech suppliers "must understand the SMBs' unique buying preferences and unmet needs, and tailor their products and commercial approaches accordingly." This is exactly what has been occurring and will continue to occur in a light-touch regulatory environment.

We respectfully urge the Commission to reconsider its proposed Title II approach in light of the concerns expressed above and look forward to working with you to achieve our shared goals. If you have any questions, please do not hesitate to reach out to Anthony Hinojosa, Vice President of Government and International Affairs of the USHCC at AHinojosa@ushcc.com. We commend you for your leadership and look forward to a positive outcome on this important matter.

Respectfully,

The United States Hispanic Chamber of Commerce (USHCC)

The National LGBT Chamber of Commerce (NGLCC)

The US Black Chambers, Inc.

The National Asian/Pacific Islander American Chamber of Commerce and Entrepreneurship  
(National ACE)

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<sup>3</sup> See, e.g., Jaelyn Campbell, *AT&T launches new wireless solution for small business owners*, America's Small Business Network (Sept. 20, 2023), <https://www.asbn.com/small-business/small-business-news/att-launches-its-new-wireless-solution-for-small-business-owners/>

<sup>4</sup> Priyanka Agarwal et al., *Winning the SMB tech market in a challenging economy*, McKinsey & Company (Feb. 21, 2023), <https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/winning-the-smb-tech-market-in-a-challenging-economy>