

**IMPROVING INTERNET ACCESS  
TO HELP SMALL BUSINESS COMPETE IN A GLOBAL ECONOMY  
U.S. Senator Olympia J. Snowe  
COMMITTEE ON SMALL BUSINESS AND ENTREPRENEURSHIP  
SEPTEMBER 26, 2007**

Thank you, Mr. Chairman, for holding this pivotal hearing today on the crucial issue of improving Internet access for small businesses, and for your invaluable and longstanding leadership on behalf of these vital engines of our economy.

I also want to thank Commissioners Copps and Adelstein from the Federal Communications Commission (FCC) for their tremendous stewardship and public service. I have the highest respect and regard for both Commissioners before this Committee, and I specifically want to thank them for recently holding a hearing in Portland, Maine, on localism in the media marketplace. I've known Commissioner Copps for some time and I applaud his unwavering leadership on the Federal-State Joint Board on Universal Service, specifically in regards to the E-Rate program, and his efforts to expand the Universal Service Fund to include broadband deployment. Additionally, Commissioner Adelstein's understanding and experience with rural broadband deployment is highly essential to this debate and I want to thank him for his steadfast dedication to expanding broadband access across America.

This morning, I look forward to a productive and constructive *dialogue* with the Commissioners, and the other expert witnesses, on ways the Federal government can encourage more robust broadband deployment, specifically to rural America and small businesses. Small businesses rely on broadband connections and I am concerned that we are failing to reach the Administration's goal of universal broadband access by the end of the year.

**One problem associated with universal broadband deployment is the FCC's lack of a comprehensive broadband data-gathering methodology. Commissioner Copps, you in particular have been an advocate of making these improvements. In fact, the Government Accountability Office agreed with you in a November 2006 study, concluding "that without more reliable data, the FCC is unable to determine whether its regulatory policies are achieving their goals."**

**I would also like to explore the FCC's adherence to the Regulatory Flexibility Act, which requires federal agencies to consider the effect of their regulatory proposals on small businesses. Commissioners Copps and Adelstein, you are at the forefront of these issues and I welcome your input on how small businesses can work with the FCC to reap the benefits of broadband services.**

**As Ranking Member of this Committee, I firmly believe that federal policies should promote a universal broadband market that deploys *competitive* and *affordable* broadband. Today the marketplace lacks competition with 98 percent of Americans receiving their broadband service from either a phone or cable company. To encourage growth we need to promote *more* competition in the broadband market.**

**I'm particularly pleased that many states and municipalities have launched initiatives to bring high-speed Internet services and economic opportunity to communities the market may have overlooked. One example of this growing trend is Connect Maine, an ambitious public-private partnership which seeks to provide 90 percent of Maine residents with broadband access by 2010.**

**As we consider the matter of competitiveness, we must also bear in mind that affordability is as much a barrier. According to a report by the Small Business Administration’s Office of Advocacy, rural small businesses do not subscribe to broadband services as frequently as urban small businesses do - usually because of high cost, thus creating a “digital divide.”**

**We must work together to address the disparity between those who have tremendous access and those who do not. In fact, the International Telecommunications Union ranks the United States 15th in terms of broadband penetration. That is an unacceptable ranking. In the 21st century, this great land of ours should not be 15<sup>th</sup> globally in any category, but especially this one where we've been undeniable pioneers!! Unfortunately, on a more local level, the picture in my own state of Maine is just as bleak - Maine ranks 31st in the country for residential broadband penetration and 14 percent of Maine households have no access to broadband whatsoever. As you can see, broadband deployment in Maine and throughout the United States is severely lacking. It continues to be one of the major concerns among small businesses in my state, and rightfully so because broadband investment can have such a substantial economic impact.**

**The question for this Committee is how do we engender and promote a robust market so that we can successfully deploy broadband to under served small businesses? Everybody agrees that broadband holds the promise of technological innovation, better communication, and connecting vast distances within states. Fulfilling this charge is imperative if small businesses, specifically in rural areas such as Maine and across the country, are to have affordable access to technologies of the future and compete in a global market.**

**Thank you, Mr. Chairman.**