



CONNECTIVITY

WHAT IS CONNECTIVITY POLICY?

Connectivity is the ability to get online, facilitated by broadband access. Much of the work the federal government does to improve broadband access has to do with wireline broadband, or the cables in the ground connecting homes, office buildings, etc. The physical connection of wireline makes networks faster and more reliable than wireless broadband. The government has several programs supporting funding for wireline broadband buildout and adoption, typically for underserved communities, such as rural areas or low-income communities. The federal government also controls who can offer Internet access via spectrum. Spectrum can be licensed (like the airwaves that power cellphone networks), which come at a high cost and are mostly held by large wireless telecom companies, or unlicensed, like the airwaves that fuel Wi-Fi networks and connected devices, which are free for anyone to use. Net neutrality is the principle that Internet Service Providers (ISPs) should treat all lawful Internet traffic the same, meaning they can't block or slow access to websites or online services, or charge websites for better, faster access to users.

WHY DOES IT MATTER TO STARTUPS?

With a connection to the open Internet, an entrepreneur located anywhere in the country can create and grow a company that reaches users across the world. As broadband access increases and improves, so too does the opportunity for innovation. Additionally, the availability of unlicensed spectrum has created opportunities for companies that make and use technology that relies on high-frequency airwaves for wireless device-to-device communications, like Bluetooth speakers or autonomous vehicles.

WHERE ARE WE NOW?

The federal government is constantly working to improve access to broadband across the country, including increasing the amount of spectrum available for use by the public, providing incentives for companies to build out wired broadband networks, and providing subsidies to bring down the cost of broadband for consumers. One subsidy program in particular—the Affordable Connectivity Program, which was created during the pandemic and has helped connect millions of U.S. households to the Internet—ran out of funding in spring 2024. Congress should ensure this broadband subsidy program has the necessary funding to continue.

The FCC has a host of issues to prioritize in order to advance telecom policies that will help the startup ecosystem. These issues include opening more unlicensed spectrum for general use and identifying which communities across the country need better broadband access and resources. Additionally, the Supreme Court is reviewing a challenge to the Universal Service Fund, which supports digital equity programs such as E-Rate and Lifeline. In order to ensure the closing of the digital divide, policymakers should support the National Telecommunications and Information Administration's delivery of the \$42 billion Broadband Equity, Access, and Deployment Program to help close the gaps in reliable broadband and ensure equal access to affordable Internet services.

KEY TAKEAWAYS

- With a good idea and a reliable, affordable connection to the open Internet, a startup of any size, anywhere in the country can launch and grow a global business.
- Startups need policymakers at all levels to prioritize reliable and affordable broadband to ensure the startup ecosystem remains accessible to all.
- Startups stand to benefit from the expansion of unlicensed spectrum, which fuels Wi-Fi networks and connected devices, creating new opportunities for innovation.