

**Fairfax County Small Business Commission**  
**Small Business: Legislative and Policy News**  
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December 2017 Newsletter

**F.C.C. Plan to Roll Back Net Neutrality  
Worries Small Businesses**

On December 14, Federal Communications Commission, (by a vote of 3-2) voted to repeal “Net Neutrality” thereby permitting Internet providers to accelerate services for websites they favor. (FCC) Ajit Pai announced a possible vote seeking to reverse President Obama Administration’s Net Neutrality Rules. This vote supported by Commissioner Pai has the nation’s small business owners concerned about its consequences for small businesses.

In 2015 Net Neutrality banned high-speed internet service providers from favoring larger businesses by offering them preferred internet access, speed and services.

Proponents of the repeal argue that the vote will result in improved variety of services for online customers and increase innovation in the industry. However, critics expressed concern that repeal will increase the costs, ease and span of internet access and thus adversely and unfairly impact small businesses. (N.Y. Times, Nov. 22, 17.)

In August of 2017, the American Sustainable Business Council and other small business owners corresponded with the FCC urging it to keep the existing rules. According to the New York Times, these business owners emphasized that weakening or repealing net neutrality protections would be harmful for the nations’ small businesses.

According to the National Small Business Association, more than 25% of small businesses had planned to expand their e-commerce operations in the next year. Due to the repeal of Net Neutrality, small businesses will no longer benefit from the existing equal and fair protections that facilitate quick access to the internet by small business owners and consumers.

Research from a Google subsidiary suggests that 53% of the time, visitors will abandon a website that takes more than three seconds to load. Longer wait times for small business websites would cause consumers to turn to larger competitors of small business and impact sales. (N.Y. Times, Nov. 22, 17.)

Furthermore, critics expressed concern that repeal will create an unfair advantage allowing larger and more powerful internet companies to limit or block the access of businesses or consumers who lack preferred and expensive internet accessing packages. Prospective and existing small business owners rely on timely internet access to ensure that consumers have access to their products and services.

David Callicott, an entrepreneur in San Francisco relies primarily on the internet for commerce. Mr. Callicott stated that the success of his business revolves around internet speed. Repealing the Obama era protections will place small business owners such as Mr. Callicott at a distinct disadvantage against larger competitors who could easier afford prices set by internet service providers. (N.Y. Times, Nov. 22, 17.)

Over 77% of Virginia’s small businesses rely on efficient internet access for sustaining, marketing and the growth of their businesses. FCC’s vote to repeal the “Net Neutrality” Rule will severely impact the operations and success of many small businesses in Fairfax County, in the Commonwealth and across the nation.

<https://www.nytimes.com/2017/11/22/business/net-neutrality-small-businesses.html>