

Recommendations for Creating and Maintaining a Tech Entrepreneurship Support Ecosystem

Submitted by the
Startup Diversity Subgroup
of the
Diversity in the Tech Sector Working Group

FCC Advisory Committee on Diversity and Digital Empowerment

ADOPTED: June 24, 2021

A. Close the digital divide and regulatory loopholes to facilitate support for tech entrepreneurship support organizations:

- To advance federal funding and recognition of critical public policies to support tech entrepreneurship support organizations, the Commission should continue to incorporate the scope of work of this Subgroup in future charters of this Committee.
- The Commission should consider creating a new temporary business Internet subsidy to ensure that minority, women-owned, and small, local businesses, who can be deemed disadvantaged, can stay connected to the internet and easily transition to online commerce and other related business operations.
- The Commission should host additional workshops that increase the engagement of the tech sector to better understand better how to promote increased diversity, inclusion, and fair play in hiring, supplier diversity, and capital investments.
- The Commission must ensure that small tech startups and other related tech businesses are equally supported in the allocation of resources to tribal communities where infrastructure and the internet are fundamental to closing systemic divides, historic wounds, and limited participation in the digital economy. Reform of the Universal Service Fund (USF) by revising the contribution factor or engaging more companies like Big Tech may be a solution to increase available and flexible USF dollars for tech entrepreneurship organizations.¹

B. Capital Investment & Interagency Collaborations:

- The Commission should partner with the Small Business Administration (SBA) and other federal funding agencies that support business development to assess current

¹ Reform of the Universal Service Fund (USF) by revising the contribution factor or engaging more companies like Big Tech may be a solution to increase available and flexible USF dollars for tech entrepreneurship organizations. See, Maggie Reardon (June 2, 2021). *FCC Commissioner pushes for big tech to pay to close the digital divide*. CNET, available at [FCC commissioner pushes for Big Tech to pay to close digital divide - CNET](#).

processes and protocols to incentivize digital transitions (e.g., tax incentives for the move to remote services, business workshops on digital transitions)

- The Commission should convene an interagency working group (including, e.g., National Science Foundation, SBA, and the National Telecommunications and Information Administration) to track funding opportunities for diverse tech entrepreneurship support organizations and entrepreneurs.
- The Commission should urge Congress to include provisions in legislation to make any funding processes transparent and accessible to tech entrepreneurship support organizations.

C. Using the FCC leverage, the agency can amplify to Congress and other stakeholders that:

- National and local philanthropies can work in coordination with federal, state, and local governments to inspire, incubate, and scale entrepreneurial ventures.
- New forms of capital should be created for emerging entrepreneurs and ventures that do not rely on old models of debt or equity-based investments (e.g., revenue-based investment), including local capital into these organizations through Community Development Financial Institutions (CDFIs).
- Diverse tech entrepreneurship support organizations (and entrepreneurs of color) should be allocated capital through any upcoming infrastructure bill to accelerate deployments, affordability, and digital literacy/adoption.
- Congress could designate a “digital transition” tax break for three to five years for a small business transitioning online. Congress could also provide a similar tax break to investors providing “family and friends” seed rounds to start-ups through a tax write-off of their donations.
- Congress should designate minority- and women-owned Tech Entrepreneurship Support Organizations as “small and disadvantaged” to receive the needed federal supports.