



FOR IMMEDIATE RELEASE  
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## **NVCA to FCC: Entrepreneurs Should Not Face Arbitrary Roadblocks on Internet**

**ARLINGTON, VA** – The National Venture Capital Association (NVCA) today filed a second comment letter with the Federal Communications Commission (FCC) on the issue of net neutrality.

Bobby Franklin, President and CEO of NVCA, made clear in the letter that FCC rulemaking should not come at the expense of entrepreneurs and that anything short of fair and equitable access to users and customers through the Internet could jeopardize startup companies.

“While we are not advocating for one specific regulatory solution or another, we would like to make clear that whichever path you and your colleagues choose to take it should not come at the expense of U.S.-based entrepreneurs. The U.S. government should ensure that entrepreneurs do not face arbitrary roadblocks that limit their potential to build products and services on the Internet,” wrote Franklin. “Therefore, it is our strong belief that Internet Service Providers (ISPs) should not be allowed to discriminate through paid prioritization. If the FCC were to allow this, it would create a competitive advantage for well-established companies while disadvantaging entrepreneurs who build disruptive and transformative new companies.”

A full copy of the letter is below:

September 15, 2014

The Honorable Tom Wheeler  
Chairman  
Federal Communications Committee (FCC)  
445 12<sup>th</sup> Street SW  
Washington, DC 20554

Re: GN Docket No. 14-28

Dear Chairman Wheeler:

As a follow-up to our previous comments on July 15, 2014, I am writing to reiterate the views of the National Venture Capital Association (NVCA) and our nearly 400 member firms in the matter of protecting and promoting the open Internet.

As you know, venture capital plays a critical role in the Internet economy by helping to nurture and grow young startup companies from the ground up through capital investment and strategic guidance. In 2013, the venture community invested nearly \$30 billion in more than 3,000 companies, with \$19 billion directed towards companies that rely on the Internet to deliver products and services in sectors as diverse as data management, transportation, social media, software analytics, education technology, retail, healthcare and cybersecurity. This year, we continue to see the vast bulk of venture capital investment flow into companies that are transforming entire industries through the Internet. Already during the first half of 2014, we have seen \$16 billion, 70 percent of total venture capital investment, put to work in companies that depend on the Internet.

Given the amount of time, capital and resources many venture capitalists devote to working alongside innovators to grow companies that deliver transformative products and services through the Internet, you can understand why we are so interested in how the Federal Communications Commission (FCC) approaches this critical rulemaking effort. Indeed, the continued creation of new companies and the venture capital investment that supports innovation could be put at risk if the FCC gets it wrong.

To date, much of the discussion surrounding net neutrality has centered on which specific measures the FCC should or should not take to protect a fair and open Internet. While we are not advocating for one specific regulatory solution or another, we would like to make clear that whichever path you and your colleagues choose to take it should not come at the expense of U.S.-based entrepreneurs. The U.S. government should ensure that entrepreneurs do not face arbitrary roadblocks that limit their potential to build products and services on the Internet. Therefore, it is our strong belief that Internet Service Providers (ISPs) should not be allowed to discriminate through paid prioritization. If the FCC were to allow this, it would create a competitive advantage for well-established companies while disadvantaging entrepreneurs who build disruptive and transformative new companies.

Anything short of fair and equitable access to users and customers through the Internet could jeopardize startup companies, dry up venture investment and threaten one of the most important components of the innovation economy. In the name of facilitating America's startup ecosystem, we believe that permission-less innovation should be encouraged and allowed to flourish without interruption. After all, consumers should be the ones to decide which companies succeed in the competitive marketplace of the open Internet.

Sincerely,

A handwritten signature in cursive script that reads "Bobby Franklin".

Bobby Franklin  
President & CEO

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Venture capitalists are committed to funding America's most innovative entrepreneurs, working closely with them to transform breakthrough ideas into emerging growth companies that drive U.S. job creation and economic growth. As the voice of the U.S. venture capital community, the National Venture Capital Association empowers its members and the entrepreneurs they fund by advocating for policies that encourage innovation and reward long-term investment. As the venture community's preeminent trade association, the NVCA serves as the definitive resource for venture capital data and unites its nearly 400 members through a full range of professional services. For more information about the NVCA, please visit [www.nvca.org](http://www.nvca.org).