Technology

Overview

Venture capital investment has been instrumental to the development of technology and the Internet, with venture firms partnering with the founders of iconic U.S. companies like Amazon, eBay, Facebook, Google, and Uber. From 2006 to Q1 2017, more than $233 billion was invested in over 17,000 information technology startups. Today, venture is building on past success to deliver next-generation products and services to the American public. In 2016, venture-backed information technology startups received nearly $37 billion in funding. More specifically, that same year venture capital investors deployed $34 billion into software startups, $4.4 billion into FinTech startups, $2.8 billion into cybersecurity startups, and $1.4 billion into Internet of Things (IoT) startups, just to name a few promising areas.

Among these exciting sectors, cybersecurity is a key area where the laws and regulations must keep pace with technological innovation. Young companies are partnering with venture capital investors to push the boundaries of cybersecurity innovation and introduce new products and services into the market, providing tremendous opportunity for our cyber defense capabilities. We are witnessing rapid adoption of these new products and services in the private sector, but the federal government often misses out on this innovation due to difficulties startups face as they try to navigate the federal procurement process.

U.S. technological leadership has spurred consumer benefit and job creation due to the right blend of policy priorities over the last several decades. Going forward, it is vital policymakers redouble efforts to collaborate and grow the U.S. technology and Internet sectors.

Position

Venture investors are focused on building 'the next big thing' that brings value and jobs to Americans. To do this, NVCA supports policies that spur technology startup activity:

- **Regulation** – A low regulatory burden so startups are not stifled as they disrupt incumbents.

- **Net Neutrality** – Rules that ensure edge startups maintain fair and equitable access to users.

- **Procurement** – Reforms to government procurement laws to allow fast-growing startups to more easily navigate the complex and costly acquisition process.

- **Spectrum** – Increased availability of spectrum to power access to innovative products, like IoT, apps, or on demand economy services.

- **Global Digital Trade** – Rules that enable cross-border data flows and ban data localization.

- **Internet Governance** – Ensure a globally connected Internet that is a home to free expression and commerce.