



June 28, 2016

The Honorable John Thune
Chairman
Committee on Commerce, Science,
and Transportation
United States Senate
Washington, DC 20510

The Honorable Bill Nelson
Ranking Member
Committee on Commerce, Science,
and Transportation
United States Senate
Washington, DC 20510

Dear Chairman Thune and Ranking Member Nelson:

On behalf of our nation's venture capital investors and the entrepreneurs they support, I write to express our support for S. 3084, the *American Innovation and Competitiveness Act*, which was introduced by Senators Gardner and Peters and co-sponsored by each of you. S. 3084 recognizes the critical nexus of basic research and technology commercialization efforts and will bolster the efforts of entrepreneurs and the venture capitalists who support them. I further write to strongly advocate for robust funding authorization levels for basic research that can keep America as a leader in innovation in an increasingly competitive global economy.

NVCA has been a strong advocate for increased basic research funding and technology commercialization programs that support entrepreneurship and innovation. From the computer revolution to biotechnology and the creation of the internet, federal investment in basic research has been a critical component of American innovation in the modern economy. Federal commitments to basic research can start a virtuous process where new technologies become startups backed by significant private risk investment from venture capitalists to grow into successful companies, fueling economic growth and creating millions of American jobs. In fact, a recent Stanford University study found that of the 1,339 companies that have gone public since 1974, 42 percent (556) can trace their roots to venture capital. Collectively, those 556 companies account for 85 percent of all research and development spending by public companies since 1974 and employ over three million workers.

The United States leads the world in technological advancement in large part because of a winning policy formula that emboldens entrepreneurs to take a chance on the next "big thing." This formula includes investment in basic research, smart technology transfer policy, and tax policy that rewards long-term investment in young, high-growth startups. These factors result in venture capital-backed companies commercializing research in an array of fields, including

identify theft, regenerative wound healing therapies, biometric sensor technology, and military technology prototype development, just to name a few.

The entrepreneurial ecosystem thanks the bill's sponsors for their leadership on this important issue and encourages the Committee membership to provide robust authorized funding levels for basic research as they support the *American Innovation and Competitiveness Act*.

Sincerely,

A handwritten signature in black ink that reads "Bobby Franklin". The signature is written in a cursive, flowing style.

Bobby Franklin
President and CEO

cc: Senator Cory Gardner
Senator Gary Peters