



July 15, 2014

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

Re: GN Docket No. 14-28

Dear Chairman Wheeler:

On behalf of the National Venture Capital Association (NVCA), I am writing to express our views on Federal Communications Committee (FCC) rulemaking in the matter of protecting and promoting the open Internet. The nearly 400 member firms of NVCA play a critical role in building the innovation economy, both through the essential capital they invest in early-stage companies and the mentorship they provide to entrepreneurs and their teams. As you well know with your recent background, no other investors assume more risk, employ more patience or partner more closely with entrepreneurs to bring breakthrough ideas and technologies to the marketplace.

Because many of our members invest in innovations that increase global access to content, products, services and information on the Internet, we are keenly interested in how the proposed rulemaking by the FCC would impact the free and open Internet. Open access to the Internet provides venture-backed companies with the opportunity to create new products and services that drive the growth of the U.S. economy and create jobs for the American workforce. Indeed, global leaders of the Internet economy, including the likes of eBay, Tumblr, Skype, Zipcar and Kayak, can all trace their roots back to venture capital funding.

In 2013, the venture community invested nearly \$30 billion towards more than 3,000 companies. Of that total investment, \$19 billion went toward Internet-related companies and a record \$7.1 billion went towards companies which exist specifically because of the Internet. Additionally, annual investments into the software industry also reached new heights in 2013 with \$11 billion flowing to software companies whose products and business models depend on the Internet, including Genband, Uber and Pinterest.

In order for venture capital investment to continue to flow into the Internet economy, entrepreneurs must maintain their ability to develop products and services and reach the global markets through equitable access to the Internet. The concept of paid prioritization to create so-called “fast lanes” could turn the entire concept of a fair and open Internet on its head at the expense of the startup ecosystem. These companies often struggle to have enough capital to build new products and services, let alone the financial resources to pay for priority access to the Internet. If they can’t afford to compete against those with deep pockets and established businesses, we as a nation will surely suffer from the lost opportunity of innovation.

While we understand the desire to respond to decisions by the courts, the most important issue to our members is that the Internet remains fair and open to everyone. On behalf of the entrepreneurial ecosystem, we implore you and your colleagues to ensure innovation continues to prosper and startups are not disadvantaged against more established business concerns.

Sincerely,

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

Bobby Franklin
President & CEO