



June 20, 2016

The Honorable Paul Ryan
Speaker of the House
U.S. House of Representatives
H-232, Capitol Building
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
H-204, Capitol Building
Washington, DC 20515

Dear Speaker Ryan and Leader Pelosi:

On behalf of our nation's venture capital investors and the entrepreneurs they support, I write to express our support for H.R. 5388, the *Support for Rapid Innovation Act of 2016*, and H.R. 5389, the *Leveraging Emerging Technologies Act of 2016*, both introduced by Rep. John Ratcliffe (R-TX), Chairman of the House Homeland Security Subcommittee on Cybersecurity, Infrastructure Protection, and Security Technologies. These bills will make a significant contribution to Majority Leader Kevin McCarthy's Innovation Initiative by modernizing government in a way that also bolsters private sector technological advancement.

Mr. Ratcliffe's bills recognize that whether we are discussing private enterprises or federal agencies, the reality is we are all targets of cybersecurity threats. In order to confront these challenges head on, much of the innovation being developed is it at the startup level, often times with the backing of venture capital investors. Since 2010, 351 cybersecurity companies have received approximately \$9 billion in venture capital funding. In fact, venture capital investment in cybersecurity companies hit a six-year high in 2015 when venture investors deployed \$3 billion to 144 companies.

Young companies are partnering with their venture capital investors to push the boundaries of cybersecurity innovation and introduce new products and services into the market to add to our cyber defense capabilities. We are witnessing rapid adoption of these new products and services in the private sector, but unfortunately the federal government continues to miss out on this innovation due to difficulties startups face as they try to navigate the federal procurement process.

The bills introduced by Mr. Ratcliffe would take much-needed strides to fixing the procurement challenges of cybersecurity startups. For example, the *Support for Rapid Innovation Act of 2016* would mandate Department of Homeland Security (DHS) support for research, development, testing, evaluation, and transition of cybersecurity technologies, as well

as coordination between DHS, industry, and academia. The *Leveraging Emerging Technologies Act of 2016* would require the DHS to engage innovative and emerging technology researchers and entities that address critical homeland security needs. In addition, NVCA is pleased to see Mr. Ratcliffe's bill establishes a strategic plan to proactively engage technology startups and address barriers to utilization of these startups in the acquisition process.

The entrepreneurial ecosystem thanks Mr. Ratcliffe for his leadership on this important issue. We also thank Majority Leader McCarthy for his determination in making government work for entrepreneurs through the Innovation Initiative.

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