



September 28, 2017

The Honorable Jerry Moran  
U.S. Senator  
521 Dirksen Senate Building  
Washington, DC 20510

The Honorable Mark Warner  
U.S. Senator  
703 Hart Senate Building  
Washington, DC 20510

Dear Senator Moran and Senator Warner:

On behalf of our nation's venture capital investors and the entrepreneurs with whom they partner, I write in enthusiastic support of the *Startup Act*. Your continued dedication to promoting entrepreneurship is commendable, and we stand ready to help you advance your legislation. From one Congress to the next, the *Startup Act* has proven to be an effective platform for advancing pro-startup policy.

Research continues to show that new businesses are the engine of job creation in the United States, creating an average of about three million new jobs each year and accounting for virtually all net new job creation, according to data from the Department of Labor and the Census Bureau. A recent research paper produced by Stanford University finds that of the 1,339 companies that went public between 1974 and 2015, a full 42 percent can trace their roots to venture capital. Those venture-backed companies account for an astounding 85 percent of all research and development spending by companies that have gone public since 1974.

On July 29, 2016, an important milestone was reached when five companies that were backed by venture capital—Alphabet, Amazon, Apple, Facebook, and Microsoft—held the top five spots on the ranking of largest U.S. companies by market capitalization. Venture capital has also been at the forefront of medical discovery, with fueling the growth of such success stories as Amgen, Genentech, and Gilead Sciences.

Despite past success, U.S. policymakers must remain vigilant and continue to support startups through public policy. Other countries have witnessed the economic benefits of new companies and are working hard to create entrepreneurial ecosystems of their own. Twenty years ago, U.S. startups received more than 90% of global venture dollars. Ten years ago that figure dropped to 81%, and last year it fell even further to 54%. China's recent gains underscore the need for U.S. policymakers to redouble efforts to support startups. China attracted \$35 billion in venture investment in 2016, which accounted for one-quarter of global venture dollars invested. Last year, China accounted for six of the top ten largest venture deals in the world.

Given the increased global competition for the world's best entrepreneurs, lawmakers must re-commit themselves to making the United States the best place in the world to launch a startup. The policies in the *Startup Act* will help set our country on a positive course toward promoting new business formation and creating American jobs.

The common-sense immigration policies in the *Startup Act* are desperately needed, given it is easier than ever for top entrepreneurs to start new companies in their home country. Therefore, we must work hard to attract startups to our shores so our country will benefit from high-quality American jobs and innovation. U.S. Census data demonstrates that approximately 25% of U.S. entrepreneurs are immigrants and that 35-40% of all new companies have at least one immigrant entrepreneur connected to its creation. But immigrant entrepreneurs have not met their true potential because of the lack of a reliable immigration category, such as the startup visa created by your legislation. We also support your efforts to create STEM visas to ensure technological and scientific advancements occur in our country, rather than overseas.

Finally, we appreciate your recognition of the importance of technology commercialization to the startup ecosystem, as well as the creation of the New Business Formation Report and the Biennial State Startup Business Report.

Thank you for your continued leadership on the *Startup Act*. We are pleased to offer our support for the *Startup Act* and help as you move this important legislation through Congress.

Sincerely,

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

Bobby Franklin  
President and CEO