



## *Endless Frontier Act* and its Impact on VC & Startups

Earlier today, the bipartisan *Endless Frontier Act* was reintroduced by Senators Chuck Schumer (D-NY) and Todd Young (R-IN). The *Endless Frontier Act* would solidify U.S. leadership in innovation by renewing commitment to federal basic research investment and offering a range of tools to support the successful transition of technological concepts from a lab into innovative products that can succeed in the marketplace.

If effectively implemented, this legislation will meaningfully increase federal basic research investment and technology commercialization activity, improve our nation's long-term economic competitiveness, create new industries and high-quality 21st century jobs, and increase economic growth in communities across the country. **NVCA has engaged in discussions with the bill's sponsors over the last several months and provided recommendations that would encourage the participation of the venture capital industry through prioritization of new company formation. We were [pleased](#) to see this language included in the proposed programs, meaningful additions that will help to accomplish our shared objectives of supporting emerging startup ecosystems throughout the country and facilitating advances in key emerging technologies.**

### Key Components for Startups and VCs

## **Funding for Emerging Technologies**

The *Endless Frontier Act* would provide major investment in early research, education, training, facilities, and entrepreneurship to support the U.S. leadership position in key emerging technologies such as artificial intelligence, quantum computing, advanced energy and materials, biotechnology, cybersecurity, and several others. This initial list of technologies will be reviewed and modified, if necessary, every three years.

## **National Science Foundation Directorate for Technology and Innovation**

Through a newly established Directorate of Technology and Innovation at NSF, the bill leverages public-private partnerships to provide increased investment in early research, education, training, facilities, and entrepreneurship to support the U.S. leadership position in key emerging technologies.

The Directorate will have DARPA-like program authorities and can make awards to research teams at non-profit entities or consortia, provide grants to small businesses, and fund research and commercialization activities both within NSF and across government agencies.

In addition to direct activities, the Directorate will also be charged with managing a competitive application process for several public-private partnership programs where various consortia in regions across the country present proposals to the Directorate to fulfill the statutory goals of each program. Importantly, the legislation lists commercializing technologies through new company formation and entrepreneurship as a priority for each program, which will be critical to ensuring that the implementation of the program stays true to the statutory intent of encouraging greater commercialization of technology. Key programs identified in the bill include:

- **University Technology Centers:** Organizations created by university-led consortia to carry out basic and translational research and advance innovation in key technology focus areas.

- **Lab to Market:** Program to facilitate collaboration in key technology focus areas to increase the likelihood that new technologies will succeed in the commercial market. Activities include funding technology competitions, facilitating relationships among investors and business leaders and entrepreneurs, providing facilities for startups, and covering costs of technology commercialization (patenting/licensing, legal fees), and encouraging greater IP transfer and faculty entrepreneurship.
- **Test Beds:** Universities or consortia-led organizations to establish and operate test bed and fabrication facilities to advance the operation, integration, and deployment of innovative technologies.

The legislation also creates a Chief Diversity Officer role to advise on NSF matters related to diversity and inclusion and establish a strategic plan that states a diversity definition, vision, and goals for the agency.

### **Regional Innovation Hubs**

A Regional Technology Hub Program under the Department of Commerce would establish up to fifteen regional innovation hubs to diffuse resources and expand opportunity throughout the country. Regional technology hubs will provide \$10 billion in funding for regional economic development planning through public-private partnerships. The bill instructs the program to consider key factors in granting funds, including engagement and partnership with private sector to commercialize new technologies identified as a key technology focus area, attract investment, and launch new companies.

### **Supply Chain and Manufacturing Programs**

In addition, the legislation creates a Supply Chain Resiliency Program at the Department of Commerce to build resilient and secure supply chains in partnership with the private sector and enhance domestic innovation and manufacturing capacity across the U.S. It also expands upon existing manufacturing programs, including the Manufacturing USA Program and Hollings Manufacturing Extension Partnership.

If you have questions or feedback on the *Endless Frontier Act*, please reach out to [Charlotte Savercool](#).