



October 31, 2019

The Honorable Bryan Steil
U.S. House of Representatives
1408 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Steil,

On behalf of our nation's venture capital investors and the entrepreneurs they support, I write to express our support for the *Helping Startups Continue to Grow Act*. This piece of legislation would reduce the significant costs for small capitalization companies to go public and startups to access the public markets.

Healthy and accessible capital markets are critical to the entrepreneurial ecosystem and the U.S. economy. Recent research shows that venture capital invests in less than one percent of all new businesses but back nearly half the companies that go public. But as the cost and complexity of being a public company has increased, the U.S. now averages less than half the number of IPOs per year than in either decade before 2000, and in twenty years has seen its number of public companies reduced by about half. Today's public markets are unfortunately no longer hospitable to innovative, small cap companies seeking capital to scale into successful firms of tomorrow.

The *Jumpstart Our Business Startups Act* (JOBS) was a great first step to reopening our public capital markets to startups and small capitalization companies, but structural challenges remain that discourage too many of our nation's startups from going public. Continued reforms to the capital markets are essential to establishing a more attractive investment environment for high-growth companies. The *Helping Startups Continue to Grow Act* helps to achieve this by expanding upon a successful provision from the JOBS Act which streamline certain regulatory and disclosure requirements for Emerging Growth Companies (EGCs).

NVCA thanks you for your leadership on the *Helping Startups Continue to Grow Act*. We are pleased to offer our support and help as you move this important piece of legislation through Congress to improve the capital formation process for American startups.

Sincerely,

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

Bobby Franklin
President and CEO