The Honorable Tom Wheeler, Chairman
Federal Communications Commission
445 12th Street, SW
Washington D.C. 20554

May 8, 2014

Dear Chairman Wheeler:

We write to express our support for a free and open Internet.

We invest in entrepreneurs, investing our own funds and those of our investors (who are individuals, pension funds, endowments, and financial institutions). We often invest at the earliest stages, when companies include just a handful of founders with largely unproven ideas. But, without lawyers, large teams or major revenues, these small startups have had the opportunity to experiment, adapt, and grow, thanks to equal access to the global market. As a result, some of the startups we have invested in have managed to become among the most admired, successful, and influential companies in the world.

We have made our investment decisions based on the certainty of a level playing field and of assurances against discrimination and access fees from Internet access providers. Indeed, our investment decisions in Internet companies are dependent upon the certainty of an equal-opportunity marketplace.

Based on news reports and your own statements, we are worried that your proposed rules will not provide the necessary certainty that we need to make investment decisions and that these rules will stifle innovation in the Internet sector.

If established companies are able to pay for better access speeds or lower latency, the Internet will no longer be a level playing field. Start-ups with applications that are advantaged by speed (such as games, video, or payment systems) will be unlikely to overcome that deficit no matter how innovative their service. Entrepreneurs will need to raise money to buy fast lane services before they have proven that consumers want their product. Investors will extract more equity from entrepreneurs to compensate for the risk. Internet applications will not be able to afford to create a relationship with millions of consumers by making their service freely available and then build a business over time as they better understand the value consumers find in their service (which is what Facebook, Twitter, Tumblr, Pinterest, Reddit, Dropbox and virtually other consumer Internet service did to achieve scale).

Instead, creators will have to ask permission of an investor or corporate hierarchy before they can launch. Ideas will be vetted by committees and quirky passion projects will not get a chance. An individual in dorm room or a design studio will not be able to experiment out loud on the Internet. The result will be greater conformity, fewer surprises, and less innovation.

Further, investors like us will be wary of investing in anything that access providers might consider part of their future product plans for fear they will use the same technical infrastructure to advantage their own services or use network management as an excuse to disadvantage competitive offerings. Policing this will be almost impossible (even using a standard of "commercial reasonableness") and access providers do not need to successfully disadvantage their competition; they just need to create a credible threat so that investors like us will be less inclined to back those companies.

We need simple, strong, enforceable rules against discrimination and access fees, not merely against blocking.

We encourage the Commission to consider all available jurisdictional tools at its disposal in ensuring a free and open Internet that rewards, not disadvantages, investment and entrepreneurship.

Sincerely,

Puneet Agarwal, True Ventures

Sam Altman, Y Combinator

Kristian Andersen, Gravity Ventures

Sherman Atkinson, Miramar Digital Ventures

Lynne Bairstow, MITA Institute

Phineas Barnes, First Round Capital

John Battelle, Angel Investor

Woody Benson, IoT Works

Phil Black, True Ventures

Brady Bohrmann, Avalon Ventures

Mike Brown, Jr., Bowery Capital

Douglas W. Burke, Angel Investor

Brad Burnham, Union Square Ventures

Jeffrey Bussgang, Flybridge Capital Partners

John Buttrick, Union Square Ventures

Jon Callaghan, True Ventures

Jeff Carter, Hyde Park Angels

Joe Chung, Redstar Ventures

Michael Collett, Promus Ventures

Tony Conrad, True Ventures

Ron Conway, SV Angel

Fred Coulson, Five Elms Capital

Owen Davis, NYC Seed

Tej Dhawan, Nestmint and Plains Angels

Gil Dibner, DFJ Esprit

Roger Dickey, Rocket Street Ventures

Chris Dixon, Andreessen Horowitz

Liam Donohue, .406 Ventures

Bob Dorf, Investor and Entrepreneurial Educator

Bill Draper, Draper Richards

Nicholas Eisenberger, Pure Energy Partners

Roger Ehrenberg, IA Ventures

Brad Feld, Foundry Group

Stephen Findlay, Angel Investor

Ryan Floyd, Storm Ventures

Chris Fralic, First Round Capital

Christopher Forbes, Angel Investor

David Frankel, Founder Collective

Christie George, New Media Ventures

Rob Go, Next View Ventures

Matt Golden, Golden Venture Partners

Matthew Greenfield, Rethink Education

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Troy Henikoff, TechStars

Eric Hippeau, Lerer Ventures

Bob Holmen, Miramar Venture Partners

Rob Hutter, Learn Capital

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Mark Jacobsen, OATV

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Adam Lilling, Plus Capital

John Lilly, Greylock Partners

Howard Lindzon, Social Leverage

Trevor Loy, Flywheel Ventures

Om Malik, True Ventures

Kanyi Maqubela, Collaborative Fund

Raj Mehta, Kilowatt Capital

Jason Mendelson, Foundry Group

Josh Mendelsohn, Hattery

Aaron Merriman, Eurovestech PLC

Ann Miura-Ko, Floodgate

Blake Modersitzki, Pelion Venture Partners

Howard Morgan, First Round Capital

Dave Morin, Slow Ventures

Dave Moylan, Yenni Capital

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David J. Namdar, SolidX Partners

Farzad (Zod) Nazem, Angel Investor

Jason Neal, Jumpstart Capital

Jerry Neumann, Neu.vc

Tim O'Reilly, OATV

Alexis Ohanian, Initialized Capital

David Pakman, Venrock

Eric Paley, Founder Collective

Andrew Parker, Spark Capital

Massimiliano Pellegrini, Angel Investor

William Peng, Red Swan Ventures

Matt Penneycard, PCB Capital

Perry Rahbar, Rahbar Angel

Sameer Rashid, Pure Energy Partners

Naval Ravikant, AngelList

Eric Ries, Angel Investor & Author

Neil Rimer, Index Ventures

David Ristow, Eurovestech PLC

Bryce Roberts, OATV

James Robinson, RRE Ventures

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KJ Singh, Techstars

Jim Stewart, True Ventures

Tim Streit, Huron River Ventures

Mike Stubler, Draper Triangle Ventures

Brad Svrluga, High Peaks Venture Partners

Mark E. Swanson, Lane Five Ventures

Brett Topche, MentorTech Ventures

Brent S. Traidman, Fenox Venture Capital

Hunter Walk, Homebrew

Matt Walters, Ardent Capital

Dan Weisman, Advance Publications

Andrew Weissman, Union Square Ventures

Albert Wenger, Union Square Ventures

Boris Wertz, Version One Ventures

Andy White, Vegas Tech Fund

Fred Wilson, Union Square Ventures

Josh Wray, Angel Investor

Sam Yagan, Corazon Capital LLC

Namek Zu'bi, Silicon Badia