

An open Internet is crucial to preserving and expanding the vibrant online environment driving investment and creating jobs.

## Internet companies make up the majority of venture capital investments.

- During the first half of 2014, \$16 billion or 70 percent of total venture capital investment was put towards companies that depend on the Internet.<sup>1</sup>
- Of the nearly \$30 billion invested by venture capitalists in 2013, \$19 billion went toward Internet-related companies and a record \$7.1 billion went towards companies that exist specifically because of the Internet.<sup>2</sup>

## The Internet is driving significant new job creation

- Angel investments alone are a significant contributor to job growth with the creation of 290,020 new jobs in the United States in 2013.<sup>3</sup> Indeed, almost all of the new private sector jobs are created by businesses less than five years old.<sup>4</sup>
- Internet enabled part-time businesses employ roughly 6.6 million workers and contributed \$141 Billion to US GDP.<sup>5</sup>
- 53 million Americans, or 34% of the country's workforce, are freelancers. Many rely on the Internet for their existence.<sup>6</sup>
- Meanwhile, phone and cable companies *lost* nearly 2,000 jobs in 2013.<sup>7</sup> In fact, since 2007, AT&T and Verizon have terminated more than 100,000 employees, a fifth of their combined workforce.<sup>8</sup>

## Without open Internet rules, ISPs threaten investment and job creation

Standard & Poors notes that without adequate protections they "see [the] potential specter that (Netflix) and other bandwidth-intensive sites may be vulnerable to the whims of broadband service providers."<sup>9</sup> Such a result is unacceptable.

<sup>1</sup> Data provided by the National Venture Capital Association.

<sup>2</sup> Data provided by the National Venture Capital Association.

<sup>3</sup> University of New Hampshire, "U.S. Angel Investor Market Recovery Continues on an Upward Trend in 2013," April 30, 2014, <http://www.unh.edu/news/releases/2014/04/em30angel.cfm>.

<sup>4</sup> Steve Denning, "The Surprising Truth About Where New Jobs Come From," Oct. 29, 2014, <http://www.forbes.com/sites/stevedenning/2014/10/29/the-surprising-truth-about-where-new-jobs-come-from/>.

<sup>5</sup> Internet Association, "Internet Enabled Part-Time Small Businesses Bolster U.S. Economy," Oct. 2013, <http://internetassociation.tumblr.com/post/63568148226/the-internet-drives-part-time-businesses-in-the-u-s>.

<sup>6</sup> Bernice Napach, "Freelance nation: One-third of U.S. workers are freelancers," Sept. 4, 2014, <https://finance.yahoo.com/news/freelance-nation-one-third-of-u-s-workers-are-freelancers-125419476.html>.

<sup>7</sup> Analysis of 10-Ks of 17 largest telecom, video, wireless employers, excluding privately-held Cox for which data is not available.

<sup>8</sup> Thomas Gryta, "AT&T, Verizon Tax Breaks Fail to Produce Jobs," Dec. 11, 2014, <http://www.wsj.com/articles/at-t-verizon-tax-breaks-fail-to-produce-jobs-1418345589>.

<sup>9</sup> Lisa Richwine, "Netflix shares drop after court tosses Internet traffic rules," Reuters, Jan. 15, 2014, <http://www.reuters.com/article/2014/01/15/us-netflix-shares-idUSBREA0E1GC20140115>.

