TESTIMONY OF STEWART YOUNGBLOOD, AMBASSADOR, DALLAS ENTREPRENEUR CENTER, DALLAS, TEXAS AT THE TEXAS FORUM ON INTERNET REGULATION

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I'd like to thank the FCC, specifically Commissioner Pai; fellow panelists, the audience and those back in Dallas and around the US who are watching on livestream. I am excited to represent the burgeoning Dallas startup community in this important discussion.

During my time at Tech Wildcatters, a top-ten ranked startup accelerator that provides access to investment and key relationships (mentors, customers, etc.), I was able to help over 40 startups grow from idea to full-fledged corporations. These companies all have common threads that helped propel them to where they are today. They are able to reach what we at Tech Wildcatters call "escape velocity" due to a number of macro and micro- economic factors that are at play.

These macro- and micro- factors hold true regardless of the specific startup, and I believe these elements are critical to the discussion of how we approach Net Neutrality and its protection or lack thereof. If we do not do take the right actions, then we are at risk of severely hampering our ability to maintain our advantage in these variables, and thus begin the disfigurement and/or deflation of our entrepreneurial ecosystem here in the US. Since startups are critical to the flow of new innovations into larger US corporations, this could truly turn the tide of economic activity across the board.

My goal today is to discuss these variables, as well as my opinion on which legal route most effectively accomplishes my goal: to allow the United States' startup ecosystem to flourish indefinitely.

While this is by no means a fully comprehensive list, the following have all been key elements to a startup's success in the past decade.

- 1. Macro-variable:
 - a. Technological innovations
 - i. Cost of computing (the cloud revolution)
 - 1. The ability to scale quickly and appropriately
 - ii. New platforms/customer bases (mobile, internet of things, and more)
 - b. Competitive advantage (US vs the world)
 - i. Access to willing investment,
 - ii. talent, and
 - iii. acquirers
 - iv. Cost of doing business
 - c. Growing base of willing entrepreneurs in within the US (young and old)
- 2. Micro:
 - a. Innovative concept/idea
 - b. Ability to execute
 - i. Team,
 - ii. monetization strategy (value creation)
 - iii. marketplace adoption (how badly it's needed)
 - c. Passion/Commitment

Each of these variables play its part in determining why someone would want to start a company today, how they'd go about executing on their vision, and ultimately how that startup will impact its local, regional, national and international economies. But what many do not realize is that any distortion in one of the variables can have an adverse effect on the entire equation. The variables are also interdependent—when one falls, it's likely to drag down several others with it.

The most important variable I just mentioned in my opinion is the cost of computing. The introduction of cloud computing catalyzed an already increasing downward pressure on the cost of computing within the last decade. When startups could finally shift computing from servers in their garages (if they could even afford them) to the cloud, an explosion in innovation occurred. It was now possible to crunch advanced mathematics without owning a server that costs tens of thousands of dollars. Biotech, fintech, education, entertainment, you name it—it was affected.

If startups are relegated to an altered connection because they do not have the funds to hire negotiators or to pay a higher flat fee for a better connection, they are immediately in jeopardy of losing any competitive advantage that has to do with processing of information in the cloud. This ultimately leads to the downfall of the majority of the other important variables I mentioned.

Picture this:

It's 2020. Johnny Startup graduates from Texas A&M and decides he wants to hit the ground running with an innovative bio-pharma concept. He believes that he can change the world by introducing a new medicine that will stop Alzheimer's disease.

If it was 1985, Johnny would have had to work in Big Lab in order to have any shot at processing his modeling information to figure out how to tackle this disease. As a solo entrepreneur, he'd be out of luck unless he could find an investor crazy enough to bankroll millions to a newly graduated 22 year old.

In a net neutral 2020, Johnny would have guaranteed access to the highest possible speeds. He would still be a fledgling startup with a very small amount of cash, but he would have access to the needed processing power to accomplish his goals. If he developed an initial sound plan and executed upon it, he would likely be able to attract appropriate investment and would be on his way to having a true company (thus impacting his local community and beyond).

If we are in a 2020 where there is paid prioritization, Johnny's packets could be slowed to make way for a larger biotech company's processing. That is if he ever decided to even pursue it: Johnny knows that all of the investors who want to see results in his area of expertise, biotech, are investing in European startups who have access to a neutral net. They don't want to take on the risk of having their models slowed unexpectedly due to tiered access. They also don't know if Johnny will be able to recruit the appropriate talent to have his company flourish in Texas, because the top data scientists are all being recruited heavily by well-funded European startups or publicly-traded companies in the United States that can afford to pay for the fast lane. Sadly, Johnny decides he probably shouldn't pursue the venture because there are TOO MANY VARIABLES INTRODUCED BY the unknown nature of network degradation under paid prioritization. We may have just missed the opportunity for Johnny to launch the next great biotech company that not only tackled Alzheimer's, but many other diseases once he was flush with capital from revenue and investment.

Because of this, and other reasons, I fully support Title II to be used to protect net neutrality. I applaud Mozilla Foundation's September 15th comments on the issue in front of the FCC in Washington DC, and defer to that document on specific technical and legal reasons as to why Title II must be the manner in which net neutrality is enforced. I will be happy to answer any questions, both regarding my position as a startup community member as well as my specific positions on Title II and its usefulness in this context.

Thank you.