



National Venture Capital Association

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NVCA APPLAUDS PRESIDENT OBAMA'S CALL TO ACCELERATE TRANSITION TO A CLEAN ENERGY ECONOMY

*Association Asserts that Maintaining Tax Incentives for Venture Capital Investment is
Critical to Achieving Goal of Energy Independence*

June 16, 2010, Washington D.C. -- The following statement can be attributed to Mark Heesen, president of the National Venture Capital Association, in reaction to President Obama's June 15, 2010 call to transition to a clean energy economy:

"The venture capital community applauds the President's vision and remains committed to finding the most promising clean technology innovations and building companies around them, creating millions of U.S jobs and reducing our dependence on foreign oil. However, we must be honest and clear in our assessment of the industry's ability to continue long term investments in high risk innovations if Congress continues down the path of equating venture capitalists with investment managers rather than recognizing them as company builders when it comes to tax policy. Increasing federally funded research in clean technology is critical - but those programs will be for naught if there is insufficient venture capital investment to bring the technologies out of the laboratories and into the American marketplace.

In his address, the President rightfully acknowledged that the transition to a clean economy will come 'only if we rally together and act as one nation – workers and entrepreneurs; scientists and citizens; the public and private sectors.' Now is the opportunity for the President to connect the dots between innovation, entrepreneurship and long term risk capital. By harming one of these elements, you harm the entire clean technology ecosystem. The current tax structure has encouraged the venture capital industry to fund and grow the semiconductor, biotechnology, and Internet economies. Now is the time for the clean energy economy. Yet Congress, with at least the tacit approval of the Administration, is in the process of changing a tax model that has worked for decades, making the United States the envy of the world. We urge the Administration and Congress to be thoughtful in its current tax policy legislation and maintain a meaningful tax differential for long term investment in start-up companies. Otherwise, the acceleration for which the President is calling will come to a screeching halt."

The **National Venture Capital Association (NVCA)** represents more than 425 venture capital firms in the United States. NVCA's mission is to foster greater understanding of the importance of venture capital to the U.S. economy, and support entrepreneurial activity and innovation. According to a 2009 Global Insight study, venture-backed companies accounted for 12.1 million jobs and \$2.9 trillion in revenue in the U.S. in 2008. The NVCA represents the public policy interests of the venture capital community, strives to maintain high professional standards, provides reliable industry data, sponsors professional development, and facilitates interaction among its members. For more information about the NVCA, please visit www.nvca.org.