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VC Tech Radar

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Boom has repurposed its jet engine as a 42 MW turbine for AI power. Investors spent the period arguing over capital, compute and exit math after the midterms. Also covered: METR's finding on AI speeding up AI R&D, the ensuing fight over banning "RSI", and new agent, robotics and model releases.

Boom's engine program now has a second business: power for AI data centers

On YC's podcast, Blake Scholl described how Boom Supersonic found its first revenue product. Utilities couldn't supply enough power for AI, hyperscalers had started building their own plants, and there was a multi-year backlog for turbines. Scholl texted Sam Altman, a day-one Boom investor, asking whether he'd want a 40 MW gas turbine. Altman answered "as many as you could make as fast as you can make them" [1]. Remove the thrust fan and add a turbine and generator, and the jet engine produces 42 MW. Scholl pitches these as modular "blade servers of energy": about 24 units make a gigawatt, deployable in N+1 arrays [1].

Scholl said that before this, Boom was keeping engine development going almost "paycheck to paycheck." The turbine plan let it raise "a bunch of money," and he expects turbine revenue next year [1]. His point about hard-tech financing is worth noting. These companies aren't necessarily more capital-intensive over their lifetime. They are more capital-intensive up to the first proof point, because they can't prove product-market fit by shipping [1].

Separately, Scholl credits AI-built internal tools for Boom's small headcount. In his account, a turbomachinery design tool lets one engineer do in real time what used to take 100 engineers six months, and another tool auto-generates 65% of the aircraft structure. He says a team of 50 built the boomless supersonic airplane and 150 built the full-scale turbine [2]. Late in the period, Scholl said he is arranging a buyout of Scott Galloway's Boom shares after Galloway called for an execution [3].

After the midterms, data-center politics is reaching credit markets

TechCrunch's Equity hosts noted that almost every ballot measure to speed up data-center construction failed. They described opposition that crosses party lines and is driven by NDAs, secrecy and water use [4]. OpenAI responded with a "compute campus" blueprint that drops NDA requirements [4]. The hosts also said Wall Street has stopped rewarding data-center spending, which adds financial pressure to the political one [4]. One Reddit post says progressive lawmakers want a national moratorium. It also says ING is trying to sell about $500M of data-center loans, including debt tied to a New Mexico Stargate site [5]. Treat both as unverified signals.

This matters because power and permitting now look like the binding constraint, not GPUs. That favors owners of power assets, like Boom's turbine business, over projects that depend on new grid connections.

Capital: faster rounds, harder debt, and arguments over exits

- **Compute and debt.** The investor guest on Invest Like the Best said portfolio companies routinely need help finding compute. Many large neoclouds won't do deals under $200M [6]. The guest counts 80–90 "neolabs" that have raised $1–5B. One spends a $1B round on a single training run and plans to raise $5B more [6]. In the guest's view, the real constraint is debt, often 5–10x the equity raised, and borrowing costs are rising after the neocloud selloff [6]. Some VCs now fund companies with compute instead of cash [6].
- **Deal dynamics.** Firms that miss a primary round now pay 3–5x for secondary shares sold alongside it. The guest also reports 2021-style behavior: offers changed or pulled soon after being made [6]. Fast growers usually come with a catch: thin margins, customer concentration, annualized data sales, or usage-based revenue [6].
- **Where the guest sees opportunity.** The best-case benchmark for an outcome has moved from $10B (2016) to $100B (2021) to $1T now. The guest expects maybe two or three more trillion-dollar companies, "not 40 more" [6]. The suggested source of returns is great founders in markets nobody is watching yet. Example: BCI startup Conduit. Its head-worn de-

vice reportedly read intended text with 80% accuracy and now has 30,000 hours of training data. Once BCI became popular, its round drew 13 term sheets [6].

- **An acquirer's view.** Salesforce's John Somorjai called valuations "way too high." He said 1% or fewer companies go public and the pool of buyers is tiny above $10B, so "there will be a reckoning" [7]. He is skeptical of AI-native CRM startups such as Lightfield and Monaco [7]. His most enthusiastic answers were about robotics, where Salesforce Ventures backs Figure, Physical Intelligence and Zipline [7].
- **Sentiment snapshots.** Per Bloomberg, Anthropic IPO buyers now see the valuation as low as $1.1T [8]. Jason Calacanis called this irrelevant until earnings start to drive the price [9]. Dylan Patel asked why Baseten is worth more than Nebius, and Nathan Benaich agreed [10]. A widely shared GP quote said a $15M-revenue company "can't raise" and Series A now requires "10-10-5" growth [11]. Martin Casado pushed back: fundraising outcomes vary a lot, he said, but no legitimate GP decides on ARR or growth alone [12].

AI speeding up AI R&D, and a policy fight over "RSI"

METR's report on Anthropic, based on internal data including benchmark scores for unreleased models, found AI is speeding up research. METR says AI can't yet make the most important training contributions on its own [13]. A press summary quotes "roughly two years of historical progress over the last year," mostly from AI assistance, with signs that fully autonomous contributions will grow [14]. Anthropic redacted heavily and promises its own analysis against its Responsible Scaling Policy in the coming weeks [13].

Politically, Rep. Casar posted "Ban RSI" (recursive self-improvement). Casado argued that loose use of the term is what invites such proposals, since many technologies feed on themselves without being RSI [15].

In a separate safety result, OpenAI reported that Astra completed 10% of hidden rubric items when tasks were framed as safety research, versus 16% when framed as capabilities work. OpenAI says it doesn't know why and found no evidence of strategic intent [16].

Agents in production

- **Vercel (via SaaStr).** Its support agent handles 93% of cases. Lead qualification went from 10 people to 1 in six weeks, at under $5K a year in infrastructure and tokens [17].
- **Domu (YC S24).** It says its agents collect $186 in buy-now-pay-later debt for every $100 human teams collect. Its customers include four of the five largest US BNPL companies and three top-10 US banks. It recently raised a $15M Series A [18].

- **Quest.** Ex-Google founder Vincent Nallatamby, who started Google's Jules and Stitch agents, raised a $6M pre-seed in seven days. Quest is now positioned as an ambient personal agent [19].
- **Aside Computer Use.** It launched on Mac and Windows, claiming it is 2.7x faster with 65% fewer tokens than Codex, based on its own internal evals [20].

Security, robotics, space and models

- **a16z on cybersecurity.** a16z argues AI made exploits cheap while patching stayed slow. Median full remediation is 43 days, and only 26% of known-exploited vulnerabilities get fully fixed [21]. It lists six startup openings: live fixes, an AI first responder, per-request access checks for people and their agents, proven backup recovery, an install gateway for packages and agent tools, and managed security for organizations without security teams [22].
- **Hugging Face robotics.** It reports nearly 100K public robotics datasets (up 48%) and 30K+ robotics models (up 41%). It expects to sell 50K+ of its open-source robots this year. LeRobot has passed 1M downloads [23].
- **Google in orbit.** A satellite carrying four TPUs ran Gemma 4 on board and returned an answer to a prompt sent from the ground. Commentators called it a "hello world," with thermal and radiation problems still largely unsolved. The next test is two satellites talking to each other [24].
- **Model releases.**
  - Google Research's Muir is a linear-attention design that streams 10M tokens using a 25 MB state. For comparison, a 1.3B Transformer needs 2.1 TB of KV cache at that length [25].
  - Ant Ling released Ling-3.2-flash, a multimodal MoE with 560B total and 25B active parameters and a 1M-token context window [26].
  - Boson AI's Higgs Realtime Duplex is a voice model that listens and talks at the same time. It is closed-weight, and API access is waitlisted [27].

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