

August 3, 2017

The Honorable Elaine C. Duke
Acting Secretary
Department of Homeland Security
Washington, DC 20528

Re: International Entrepreneur Rule: Delay of Effective Date; *DHS Docket No. USCIS-2015-0006*

Secretary Duke:

We represent a cross-section of industries and stakeholders that are dedicated to creating American jobs and furthering U.S. technological advancement. We write to express our profound disappointment that the Department of Homeland Security (“DHS”) has delayed the effective date of the *International Entrepreneur Rule* and plans to propose to rescind the rule.¹ This decision contrasts with President Trump’s goal of spreading economic prosperity across the United States and ensuring the U.S. remains the global leader in innovation. We encourage DHS to keep the rule in place and use the effective date delay to prepare for accepting applications from entrepreneurs beginning in March 2018.

President Trump has made winning the global competition for jobs a priority of his administration and we appreciate his stated focus on making our country the best place in the world to create a new enterprise. However, a key aspect of growing our economy is to ensure talented entrepreneurs start their companies here in the United States. The *International Entrepreneur Rule* will allow the world’s best entrepreneurs to create jobs in our country, rather than overseas where they will then compete with American workers and companies.

Keeping in place the *International Entrepreneur Rule* would further President Trump’s goal of spreading economic prosperity to areas of the country in desperate need of new jobs. The benefits of entrepreneurship to the U.S. economy are well understood. The Kauffman Foundation has found that “without startups, there would be no net job growth in the U.S. economy.”² Unfortunately, American entrepreneurship is at a crossroads. U.S. government data reveals that the number of new companies as a share of all U.S. businesses with employees has dropped 42 percent since 1978.³ Immigrant entrepreneurs can provide a key shot of entrepreneurial energy into the U.S. economy. In fact, a New American Economy study estimates the *International Entrepreneur Rule* could create between 135,240 and 308,460 jobs

¹ U.S. Department of Homeland Security (U.S. Citizenship and Immigration Services), 82 FR 5238 (July 11, 2017)

² “The Importance of Startups in Job Creation and Job Destruction,” Kauffman Foundation Research Series: Firm Foundation and Economic Growth,” (July 2010), available at http://www.kauffman.org/~media/kauffman_org/research%20reports%20and%20covers/2010/07/firm_formation_importance_of_startups.pdf.

³ “Kauffman Index of Startup Activity 2017,” Kauffman Foundation (May 2017), available at <http://www.kauffman.org/kauffman-index/profiles?loc=US&name=united-states&breakdowns=startup-activity%7Coverall%2Cmain-street%7Coverall%2Cgrowth%7Coverall#indicator-panel-se-startup-density>.

over ten years.⁴ Immigrant entrepreneurs have a track record of success in creating American powerhouses such as Intel, eBay, and Tesla, and “have started more than half (44 of 87) of America’s startup companies valued at \$1 billion or more.”⁵

Retaining the *International Entrepreneur Rule* will also further President Trump’s goal of making the U.S. more competitive on a global basis. American entrepreneurship is facing challenges abroad like never before, as other countries have replicated our tax, regulatory, and education policy to spur startup ecosystems of their own. In the immigration context, countries like Canada, France, Singapore, and the United Kingdom have created dedicated entrepreneur visas to attract job creators to their shores. Policies like these mean entrepreneurs no longer need to move to the U.S. to scale a startup, and venture investment is tracking this activity: two decades ago, U.S. startups received more than 90 percent of global venture capital investment, but that number fell to 81 percent a decade ago and fell further to 54 percent last year. In the last five years, at least half of the top ten largest venture investments in the world occurred *outside* our country. The United States must keep in place the *International Entrepreneur Rule* to attract the best entrepreneurs rather than push them away.

Finally, maintaining the *International Entrepreneur Rule* supports U.S. technological leadership. As you know, we are on the cusp of incredible advancements in artificial intelligence, internet of things (IOT), oncology, transportation, and many other areas. Our global competitors are racing to beat the U.S. so the hub of innovation is within their borders. If they win, those countries may control the benefits, rules, and direction of technological progress, areas where America has until now been the unquestioned leader. We cannot afford to have this happen. One way we can ensure the United States continues to be the world leader in science and technology is by bringing top foreign-born entrepreneurs to the U.S. through the *International Entrepreneur Rule*.

While we are disappointed that after three years of input from the private and public sector that the benefits of the rule have been delayed, the administration can still embrace the economic benefits the *International Entrepreneur Rule* will bring. The administration can do this by not seeking to rescind the rule and instead by spending the time between now and March 2018 preparing to accept applications from talented entrepreneurs who will bring with them new jobs for Americans who need them.

Thank you for your attention to this important matter for our economy. We stand ready to help the administration implement the *International Entrepreneur Rule* so that new companies are created in our country rather than overseas.

⁴ New American Economy, “International Entrepreneur Rule: What Might It Mean for U.S. Workers?,” (July 10, 2017), available at <http://www.newamericaneconomy.org/research/international-entrepreneur-rule-what-might-it-mean-for-u-s-workers/>.

⁵ Stuart Anderson, National Foundation for American Policy, *Immigrants and Billion Dollar Startups*, available at <http://nfap.com/wp-content/uploads/2016/03/Immigrants-and-Billion-Dollar-Startups.NFAP-Policy-Brief.March-2016.pdf>.

Sincerely,

National Venture Capital Association

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AlphaPrime Ventures

Angel Capital Association
Overland Park, KS

Ann Arbor Angels
Ann Arbor, MI

Arboretum Ventures
Ann Arbor, MI

Arkansas Research Alliance
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BioHealth Innovation Inc.
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BlueWater Angels Investment Network
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Business Forward

Center for American Entrepreneurship

Economic Innovation Group

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Genomenon, Inc.
Ann Arbor, MI

Golden Angel Investors
Brookfield, WI

Huron River Ventures
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Information Technology Industry
Council (ITI)

Illinois Science and Technology Coalition
and Institute

Illinois Venture Capital Association

Internet Association

Lakeshore Advantage
Zeeland, MI

LooUQ Incorporated
East Lansing, MI

New American Economy

New England Venture Capital Association

North Coast Technology Investors
Ann Arbor, MI

Northwestern Capital Partners
Ann Arbor, MI

Michigan Venture Capital Association

Pittsburgh Venture Capital Association

Philadelphia Alliance of Capital and
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Portland Seed Fund

Propeller
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Research Park Corporation
Baton Rouge, LA

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Columbus, OH

Rocky Mountain Venture Capital
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Root Inc.
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SSTI
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Startup Junkie Consulting
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Texas Venture Capital Association

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Venture Investors LLC
Madison, WI

VentureOhio

Wichita Technology Corp.
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Windward Associates
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Wisconsin Venture Capital Association

Wisconsin Super Angel Fund, L.P.

Barbatano Law Office
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Steve Case
Chairman and CEO, Revolution
Co-Founder, America Online

Joseph Schocken
CEO, Broadmark Capital

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