



January 27, 2022

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi and Leader McCarthy:

On behalf of our nation's venture capital investors and the entrepreneurs they support, I write to express our strong support for creation of a Startup Visa in the *America COMPETES Act of 2022*. A Startup Visa is a commonsense idea that facilitates foreign-born entrepreneurs creating new American companies that will employ our citizens and contribute to our global competitiveness.

The startup ecosystem is grateful for the leadership of Representative Zoe Lofgren, who is the author of the *Let Immigrants Kickstart Employment Act* that is included in Title III of the *America COMPETES*. Representative Lofgren's legislation has the strong [support](#) of a coalition of organizations devoted to entrepreneurship and innovation.

Foreign-born entrepreneurs have been an incredible driver of the U.S. economy for decades. Indeed, [more than 50 percent](#) of "unicorn" startups in the United States were founded or co-founded by immigrants. Immigrant-founded companies have played a crucial role in combatting the pandemic – the founders and CEOs of both Pfizer and Moderna are immigrants. Other iconic American companies founded or co-founded by immigrants include Dow, AT&T, DuPont, Levi Strauss, Anheuser-Busch, Goldman Sachs, Sun Microsystems, Google, Yahoo, eBay, YouTube, PayPal, Tesla, Facebook, and LinkedIn.

A [study](#) by the Center for American Entrepreneurship found that 43 percent of Fortune 500 companies – and 57 percent of the top 35 companies – were founded by first- or second-generation immigrants. These companies are headquartered in 68 metro areas across 33 states and employ millions of Americans.

Despite these accomplishments, U.S. immigration law makes it unnecessarily difficult for foreign-born entrepreneurs to launch a new company in our country. There is currently no visa category designed for the entrepreneurial model. Therefore, immigrant entrepreneurs struggle to

fit square pegs in round holes and use visa categories that are challenging for startups.¹ All too often, immigrant entrepreneurs are forced to start their companies in other countries because of their immigration status. This is a massive loss to the U.S. economy and workers.

The United States is one of only a few industrialized nations that does not have a visa category for foreign-born entrepreneurs. In recent years, many other nations – including [China](#), [Canada](#), [Germany](#), [France](#), [New Zealand](#), [Australia](#), [Chile](#), and [the UK](#) – have overhauled their immigration laws to attract foreign-born entrepreneurs, including American entrepreneurs. These Startups Visas are being used to recruit top entrepreneurs to other countries to the detriment of the United States.

Creation of a Startup Visa is important for national security and has been [endorsed](#) by the National Security Commission on Artificial Intelligence. By welcoming entrepreneurs to our country, policymakers ensure companies are domiciled in the United States and therefore subject to U.S. law. In the absence of a Startup Visa, our immigration laws push company founders to other countries and outside U.S. law in many circumstances.

Title III of the *America COMPETES Act* fixes a major deficiency in immigration law by creating a dedicated startup visa for entrepreneurs. Importantly, these entrepreneurs only qualify for the visa if they create American jobs and attract significant investment capital from U.S. investors. This is a formula for success, as it ensures that only the most meritorious entrepreneurs are able to earn the startup visa.

A [study](#) of similar legislation by the Kauffman Foundation concluded that a startup visa would create as many as 1.6 million new American jobs within 10 years. Other [studies](#) have estimated that a new visa category for foreign-born entrepreneurs could create as many as 3 million new American jobs over a decade.

We want the next generation of great companies launched in America and believe a Startup Visa is an important tool for our country. Thank you for your leadership on this critical issue that will help the United States remain the global technological and scientific leader.

Sincerely,

A handwritten signature in cursive script that reads "Bobby Franklin".

Bobby Franklin
President and CEO

¹ For example, the H-1B visa requires an employer-employee relationship and therefore is generally not helpful for the founders of companies. The O-1A visa for “extraordinary ability” is frustrating for young entrepreneurs who do not have a long track record. And the E-2 visa excludes many countries and requires capital from the entrepreneur’s home country (as opposed to a U.S. investor).