

February 8, 2018

President Donald J. Trump  
1600 Pennsylvania Avenue  
Washington, DC 20500

Dear Mr. President:

We the undersigned represent a broad cross-section of business leaders, investors, and organizations that are dedicated to promoting American entrepreneurship to create new jobs and bring new technological and scientific advancement to our country. We strongly encourage you *not* to move forward with “Rescission of the International Entrepreneur Rule,”<sup>1</sup> which would upend the ability of talented immigrant entrepreneurs to launch new enterprises and employ American workers in communities all across the United States.

The International Entrepreneur Rule (IER) allows world-class immigrant entrepreneurs to build new companies in the United States if the startup has substantial potential for rapid growth and job creation. During your State of the Union speech, you stressed the need for a “merit-based immigration system — one that admits people who are skilled, who want to work, who will contribute to our society, and who will love and respect our country.” IER applicants are emphatically all of those things and as such deserve your full support.

IER will bring new companies and opportunities to the U.S. that will benefit all Americans, and especially those living in areas that have struggled in recent years. That is why business leaders in 26 states from America’s heartland supported IER in a letter to you in May 2017. In the letter, leaders from states like Ohio, Wisconsin, and Pennsylvania wrote that their “communities are poised to reap considerable economic and job-creation benefits of attracting and retaining more of the world’s most talented entrepreneurs to build great companies here in the United States.”<sup>2</sup>

Following a federal court order, IER is now in effect.<sup>3</sup> We are excited to see IER get off the ground so our country can experience its many benefits. Talented immigrant entrepreneurs have already begun to apply for IER and are making plans to launch the next generation of iconic American companies. Immigrant entrepreneurs have a storied history of creating incredible companies, with a recent study finding that 43 percent of the 2017 Fortune 500 were founded or co-founded by an immigrant or the child of an immigrant.<sup>4</sup> Furthermore, immigrant entrepreneurs “have started more than half (44 of 87) of America’s startup companies valued at \$1 billion or

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<sup>1</sup> “Rescission of the International Entrepreneur Rule, *Pending EO 12866 Regulatory Review*, available at <https://www.reginfo.gov/public/do/eoDetails?rrid=127711>.

<sup>2</sup> Letter to President Trump re *International Entrepreneur Rule* from Arizona Bioindustry Association et al (May 23, 2017).

<sup>3</sup> *National Venture Capital Association v. Elaine Duke*, Acting Secretary, U.S. Department of Homeland Security, Civil Action No. 17-1912 (JEB), United States District Court for the District of Columbia (December 1, 2017).

<sup>4</sup> “Immigrant Founders of the 2017 Fortune 500,” Center for American Entrepreneurship,” (December 3, 2017), available at <http://startupsusa.org/fortune500/>.

more.”<sup>5</sup> IER will help ensure top companies continue to be founded in the United States rather than overseas.

Unfortunately, “Rescission of the International Entrepreneur Rule” has been pending review with the Office of Management and Budget since November 17, 2017. This potential new rule places a dark cloud over IER, as immigrant entrepreneurs are uncertain of how long IER will be in place. The rescission rule stifles investment into new companies with foreign-born founders, which ultimately costs the U.S. economy. It also exacerbates an alarming trend of elite entrepreneurs launching successful startups *outside* the United States. Twenty years ago our country’s share of global venture investment was 90%, but that number has dropped precipitously to 81% in 2006 and to 53% in 2017.<sup>6</sup> In 2016, China was home to six of the ten largest venture capital investments in the world.<sup>7</sup> If we continue to push entrepreneurs overseas, our share of global investment will continue to decrease.

We believe it would be misguided for your administration to end IER before it has the chance to show its benefits. Immigrant entrepreneurs have a demonstrated track record of contributions to the U.S. economy and IER is tailored to attract those who are most likely to create a successful new enterprise. One study estimates that IER would create more than 300,000 jobs over ten years.<sup>8</sup> That estimate could be on the low-end as it assumes that one-half of the firms that would benefit from IER are in the science, technology, engineering or math (STEM) fields, but 89% of venture capital dollars invested since 2013 have been in STEM companies, meaning the job-creation benefits of IER could be even greater.

We strongly encourage you not to move forward with “Rescission of the International Entrepreneur Rule,” and instead embrace IER as the job creation tool it can be for our country. Thank you for your attention to this critical issue.

Sincerely,

National Venture Capital Association  
Washington, DC

Angel Capital Association  
Kansas City, MO

Ben Franklin Technology Partners  
Harrisburg, PA

Bunker Labs  
Chicago, IL

Business Forward  
Washington, DC

Center for American Entrepreneurship  
Great Falls, VA

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<sup>5</sup> 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>.

<sup>6</sup> Pitchbook-National Venture Capital Association data.

<sup>7</sup> *Id.*

<sup>8</sup> 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/>.

Consumer Technology Association  
Washington, DC

Economic Innovation Group  
Washington, DC

Engine  
San Francisco, CA

Enterprise Center in Johnson County  
Fairway, KS

Ewing Marion Kauffman Foundation  
Kansas City, MO

Flywheel Ventures  
Santa Fe, NM

FWD.us  
Washington, DC

GAN  
Denver, CO

Illinois Venture Capital Association  
Chicago, IL

Internet Association  
Washington, DC

Information Technology Industry Council (ITI)  
Washington, DC

Metropolitan Economic Development Assoc.  
Minneapolis, MN

Mid-Atlantic Venture Capital Association  
Washington, DC

New American Economy  
Washington, DC

New England Venture Capital Association  
Boston, MA

PACT  
Philadelphia, PA

Pittsburgh Venture Capital Association  
Pittsburgh, PA

Revolution LLC  
Washington, DC

Rocky Mountain Venture Capital Association  
Erie, CO

Siskind Susser, PC  
Memphis, TN

SSTI  
Westerville, OH

Tech: NYC  
New York, NY

TechNet  
Washington, DC

VentureOhio  
Columbus, OH

Wisconsin Venture Capital Association  
Madison, WI

Cc: Secretary Kirstjen M. Nielsen  
Department of Homeland Security