



March 15, 2022

The Honorable Alex Padilla  
Chair  
Subcommittee on Immigration, Citizenship,  
and Border Safety  
United States Senate  
Washington, DC 20510

The Honorable John Cornyn  
Ranking Member  
Subcommittee on Immigration, Citizenship,  
and Border Safety  
United States Senate  
Washington, DC 20510

Dear Chair Padilla and Ranking Member Cornyn:

On behalf of our nation's venture capital investors and the entrepreneurs they support, thank you for the opportunity to provide a statement for the record regarding the subcommittee's hearing on "Removing Barriers to Legal Migration to Strengthen our Communities and Economy." Our comments will focus on a major deficiency of U.S. immigration law – a lack of a dedicated visa category for foreign-born entrepreneurs who want to launch new, high-growth companies in the United States that will employ Americans and solve scientific and technological problems. Our country is currently held back by shortsighted immigration policy.

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, 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 new companies 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.<sup>1</sup> 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 and comes at a time when Congress is focused on our country maintaining its competitive edge.

To address this blind spot, Congress should create a Startup Visa for foreign-born entrepreneurs. The Startup Visa has earned bipartisan support over the years. The 2013 comprehensive immigration reform that passed the Senate included a Startup Visa.<sup>2</sup> In recent years, the *Startup Act* from Senators Moran, Warner, Blunt, and Klobuchar has featured a Startup Visa.<sup>3</sup> Most recently, Rep. Zoe Lofgren introduced the *Let Immigrants Kickstart Employment Act*, which was included in the House-passed *America COMPETES Act*. Rep. Lofgren’s legislation is [supported](#) by a coalition of 19 entrepreneurial organizations and [more than](#) three hundred prominent American entrepreneurs.

Under these proposals, an entrepreneur can only qualify for the Startup Visa if they create American jobs and attract significant investment capital from U.S. investors. This is a formula for success and ensures that immigration policy serves to recruit talented individuals who offer the United States something it needs: new company formation and dynamism in the economy.

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.

A [study](#) by the National Foundation for American Policy found that a Startup Visa could create more than 3 million new American jobs over a decade. A [study](#) of Startup Visa legislation by the Kauffman Foundation concluded that it would create as many as 1.6 million new American jobs over the same period.

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<sup>1</sup> 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).

<sup>2</sup> See Border Security, Economic Opportunity, and Immigration Modernization Act (S. 744; 113<sup>th</sup> Congress)

<sup>3</sup> See *Startup Act* (S. 328; 116<sup>th</sup> Congress)

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 black ink that reads "Bobby Franklin". The signature is written in a cursive, slightly slanted style.

Bobby Franklin  
President and CEO