



THE NATIONAL FOUNDATION FOR AMERICAN POLICY

June 28, 2018

Samantha Deshommes
Chief, Regulatory Coordination Division, Office of Policy and Strategy
US Citizenship and Immigration Services, Department of Homeland Security
20 Massachusetts Avenue, NW, Washington, DC 20529

Re: Proposed Rule to Rescind the International Entrepreneur Parole Program DHS Docket No.
USCIS-2015-0006
RIN: 1615-AC04

Dear Sir or Madam:

In these brief comments, I would like to direct you to the comments submitted by immigration attorney Greg Siskind, who discusses in detail the many difficulties for foreign nationals who may attempt to use existing categories within our immigration system to become an entrepreneur in America.

I have performed research on immigrant entrepreneurs, including interviews with foreign-born individuals who became entrepreneurs. In [research](#) released by the National Foundation for American Policy in 2016, I found, "Immigrants have started more than half (44 of 87) of America's startup companies valued at \$1 billion or more and are key members of management or product development teams in over 70 percent (62 of 87) of these companies. The research finds that among the billion dollar startup companies, immigrant founders have created an average of approximately 760 jobs per company in the United States."

In the course of interviews for the research, I came upon examples of why additional paths, including the path the Department of Homeland Security proposes to eliminate with this regulatory action, are needed for foreign-born entrepreneurs.

Here is the example of Jyoti Bansal, born in India, founder of AppDynamics:

He arrived in America on July 4, 2000. He received an H-1B visa, which proved to be both a blessing and a curse. It was a blessing because an H-1B visa is, in practice, typically the only way a foreign national can work long-term in America. It was a curse because individuals on H-1Bs are generally unable to start a company. And Jyoti worked for startup companies but he also wanted to start his own company.

"I waited 7 years for my employment-based green card and I wanted to leave my job and start a new company but couldn't," he said. "What is most frustrating about the green card process is you have no control over a major part of your life. I have friends who became frustrated with the uncertainty and after years of waiting they finally left the United States."

2111 WILSON BLVD, SUITE 700 • ARLINGTON, VIRGINIA 22201
TEL: 703.351.5042 • FAX: 703.351.9292 • WWW.NFAP.COM

In 2007, Jyoti received an employment authorization document (EAD) as part of the green card process. He left his employer and started AppDynamics. "America has everything we need to create great companies here. We have great openness," said Jyoti. "We have a good legal structure and access to capital. But in technology it's all about talent. We need an immigration system that allows people to keep coming here."

Jyoti Bansal founded AppDynamics in 2008 and today the company employs over 900 people and is valued at \$1.9 billion. After serving as CEO for many years he recently changed roles to become Executive Chairman of the Board and Chief Strategist. Jyoti has received more than 30 patents related to complex software systems. While he is pleased that AppDynamics has grown so rapidly the hope is for the company to keep growing. When asked about his future, Jyoti said, "I'm not done creating companies. I want to keep creating companies and solving problems for the rest of my life."

In January 2017, Cisco purchased AppDynamics for \$3.7 billion.

Another example cited in the research is Michelle Zatlyn, born in Canada, a co-founder of Cloudflare:

Michelle and Matthew worked on the idea while at Harvard. Following graduation, Michelle obtained 12 months of work authorization under Optional Practical Training (OPT). "The best thing the U.S. government has done on immigration is OPT to allow international students a chance to stay and work for a time after graduation," she said. "It allowed me to work with Matthew on the business plan that helped create the company."

After Matthew and Michelle graduated from Harvard, they packed up a U-Haul, driven by Matthew's mother, and headed to Silicon Valley. They joined with Lee Holloway to create Cloudflare and began raising money from venture capital firms. But Michelle was not finished with the U.S. immigration system, which contains no mechanism to stay in America as a founder of a company. The only way to stay in America would be for the company to apply for an H-1B visa on Michelle's behalf.

At first her case was not approved and additional evidence was requested to support the application. "It was not fun," recalls Michelle. The company submitted letters of recommendations, including from investors, and ultimately the H-1B visa was approved. "If I hadn't obtained the visa I would have gone back to Canada and tried to work on Cloudflare from there," she said. "If that had happened, Cloudflare would not be where it is today. It would have clearly affected our development."

Today, Cloudflare is valued at \$1 billion and employs 400 or more people.

The benefits of foreign-born entrepreneurs – who add to the total number of entrepreneurs in America – are well-documented. University of Michigan-Flint Professor Mark J. Perry discussed in [this report](#) the benefits and how government policies should encourage entrepreneurship in America regardless of an individual's place of birth.

Economist Mark J. Perry points out small business creation is essential to economic growth and job creation, so the more small businesses that start the better, regardless of the place of birth of the founder. "The characteristics of entrepreneurs is irrelevant for economic growth and jobs, and it doesn't matter if more people from Virginia start businesses than people in Maryland or California, or if more people with blue eyes start businesses compared to people with brown eyes," said Perry. "Those are all just artificial distinctions, like the artificial distinction between Americans and immigrants." He notes, "Small businesses that directly create new jobs also create or support other jobs indirectly from the spending and consumption, investment and savings from the new workers who spend their earnings."

The actual reasons for ending the International Entrepreneur Parole Program remain unclear, unlike the benefits of providing additional avenues for foreign-born entrepreneurs, which are quite clear to economists, investors and those familiar with the shortcomings of the U.S. immigration system.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Stuart Anderson', with a stylized, cursive script.

Stuart Anderson
Executive Director