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Venture Capitalists, Startup Founders Push to Revive Obama-Era Immigration Program

International Entrepreneur Rule creates a path to remain in the U.S. while launching a company

By Yuliya Chernova and Michelle Hackman

The International Entrepreneur Rule, created shortly before President Obama left office, allows some foreign startup founders to remain in the U.S. without a visa. The Trump administration had hoped to eliminate the program as part of its broader immigration crackdown but did not get around to it.

With the program still technically on the books, entrepreneurs, venture-capital firms and other advocates are urging the Biden administration to put resources behind the program, such as advertising it and hiring dedicated staff to judge applications.

“We are not looking for red carpet treatment. We just want a transparent, reasonably fast process that we can count on,” said Rohan Deuskar, founder and chief executive of Stylistics, a New York-based e-commerce startup that employs about 100 people. Back in 2015, Mr. Deuskar was kept from returning to the U.S. by visa issues, which forced him to lay off most of his New York staff at the time.

The program is the only immigration path that is tailored specifically to startup founders. The U.S. doesn’t have an entrepreneur visa, unlike Canada, the U.K. and a dozen other countries. Foreign-born entrepreneurs in the U.S. have been shoehorned into other visa categories, such as those for high-wage corporate employees or extraordinary artists and concert pianists, that often don’t fit their circumstances well.

“It’s like trying to fit round pegs into square holes,” said Susan Cohen, a Boston-based immigration attorney who works frequently with foreign graduates of Harvard University and the Massachusetts Institute of Technology.

The National Venture Capital Association, along with the Center for American Entrepreneurship and other groups, in a letter called on Homeland Security Secretary Alejandro Mayorkas to

promote the International Entrepreneur Rule and withdraw a Trump administration memo laying out the intention to terminate it.

In a statement, Joe Sowers, a spokesman for U.S. Citizenship and Immigration Services, said the program is in effect and the agency would adjudicate any properly filed applications.

High unemployment spurred by the Covid-19 pandemic makes welcoming immigrant entrepreneurs more crucial, said John Dearie of the Center of American Entrepreneurship, a nonpartisan research and policy organization promoting new-business formation. “Immigrant entrepreneurs make the unemployment situation far better by being job creators,” he said.

The program relies on a presidential authority known as parole, which allows the government to let people into the country without visas if there is a “significant public benefit” to doing so. Startup founders could qualify if their companies have attracted at least \$250,000 in U.S. venture capital and met other criteria.

The Trump administration disapproved of the program’s use of presidential power, believing it set a precedent to let in larger numbers of immigrants without visas, skirting visa limits set by Congress.

“It’s the prerogative of Congress to create new immigration programs, and no matter the merit, if Congress fails to do so, it’s inappropriate for the executive branch to go ahead and do so,” said Rob Law, who served as the head of policy on legal immigration issues in the Trump administration. Asked why his administration never fully repealed the program, he said, “Too many other things jumped ahead in the priority line.”

The Department of Homeland Security previously estimated that as many as 3,000 founders would apply for the program annually. But only a handful did so during the Trump administration, most fearing their requests would be rejected, according to Jeff Farrah, general counsel at the National Venture Capital Association, an industry group.

“It shouldn’t be controversial that we want the most talented entrepreneurs to start and grow their companies and create jobs here, not somewhere else,” said Doug Rand, who helped create the program while advising at the Obama White House.

Immigrants started many of America’s most well-known companies. They founded more than half of venture-backed startups valued at more than \$1 billion or more, according to a 2018 study from the **National Foundation for American Policy**, a nonpartisan think tank that focuses on trade and immigration policy.

But gaining legal status has often been an ordeal.

“I have experienced many cases where immigration uncertainty has limited or significantly delayed by months the launch of one of our companies,” said Noubar Afeyan, founder and chief executive of Cambridge, Mass.-based Flagship Pioneering, which incubated vaccine maker

[Moderna](#) Inc. among many others. Mr. Afeyan, who is originally from Lebanon, is also chairman and co-founder of Moderna.

Kesava Kirupa Dinakaran, a 21-year-old holder of a world record in speed solving a Rubik's Cube, came to the U.S. from India. He met Dmitry Dolgoplov, also 21 and a polyglot from Russia, at a coding competition in Silicon Valley. They founded DigitalBrain, a startup that helps speed up the processing of customer support tickets, in Palo Alto, Calif., and raised \$3.4 million from Unshackled Ventures, Y Combinator and other U.S. investors last year.

But applying for a visa was an uncertain process. "We were talking about that if we don't get the visa, we will apply for the entrepreneur visa in Singapore or Canada and move to one of those countries," Mr. Dinakaran said.

Despite the difficulties, entrepreneurs from around the world flock to the U.S., especially the mecca of Silicon Valley, because of its concentration of technical talent and venture capital. U.S. venture funds raised more than \$73 billion last year, according to research and data provider PitchBook Data Inc.

U.K.-born Nicky Goulimis, co-founder and chief operating officer of fintech startup Nova Credit Inc., found herself in immigration purgatory in 2017. She was stuck abroad while her visa application was denied and saw her company lose a partnership she was the lead on. When Ms. Goulimis finally arrived at the San Francisco International Airport, her co-founder greeted her with a can of Budweiser and an American flag.

"It did feel like a very welcome return," said Ms. Goulimis, whose company has raised more than \$70 million from venture investors and employs 60 people in the U.S.

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