

# Startup Visa

February 22, 2010

Dear Senators:

We write to express our support for the Startup Visa. Since the founding of our country, the entrepreneurial spirit has been a defining characteristic of the United States. Today we are the world leader in creating new enterprises, advancing innovation, and creating jobs as a result of this entrepreneurial activity. Fast-growing companies have long been the main source of new jobs and innovation in the United States. However, in recent years our visa laws have made it unnecessarily difficult for immigrants to launch new companies here. We view this as a major competitive disadvantage for our country in the 21st century.

Companies such as Google, Pfizer, Intel, Yahoo, DuPont, eBay and Procter & Gamble are all former start-ups founded by immigrants. Yet immigrants have not only founded major, well-known companies. Foreign-born residents made up just 12.5% of the U.S. population in 2008, while nearly 40% of technology company founders and 52% of founders of companies in Silicon Valley are foreign-born.

As venture capitalists and angel investors, we often fund companies at their very inception. In cases where there are immigrant founders, it is often impossible for them to get an appropriate visa to stay in the United States and start their company. Even in cases where the founders already have a visa of some sort, they typically can't use this visa to start a company. As a result, they often have to leave our country to start their company, resulting in a loss of innovative entrepreneurs and the correspondingly created jobs in the United States.

There are multiple costs to our country and our economy. First, we lose the entrepreneur, who is a critical part of our society. We then lose the jobs that are created by the new venture, which in the success case could easily number in hundreds or thousands over the first decade of the company's life. Finally, we run the risk of losing our reputation as the greatest country in which to start a company.

To address this issue, we support the Startup Visa proposal. Early stage companies are often started with funding of at least \$250,000. In these situations, if a qualified U.S. venture capital investor or a U.S. "super angel" (an angel investor that has a track record of regularly participating in seed round investments) is willing to commit a significant investment for a foreign entrepreneur to start a company in the United States, we believe the entrepreneur should be able to get a "Startup Visa." We believe these thresholds are appropriate for creating credible startups which, if successful, can lead to numerous U.S. based jobs.

Vanilla (<http://www.vanillaforums.com>) is an example of a type of company this visa would apply to. Vanilla has two founders, both Canadian. They spent the summer in Boulder, Colorado as part of the TechStars accelerator program getting advice, help, and mentorship from over 50 U.S. based entrepreneurs and investors. Numerous investors were interested in funding Vanilla and helping them to grow their company from Boulder; however neither founder was able to give investors comfort that they could get an appropriate visa to stay and work in the US. Since then, the founders have relocated to Montreal, raised \$500,000, and started their company in Canada. Today, they are adding three people to their team, all based in Montreal. If successful, they will add many more people to the team over the next few years.

Each year thousands of foreign entrepreneurs face the same situation that the Vanilla founders faced. All of these entrepreneurs are starting companies with high growth potential where they could be hiring tens or hundreds of employees over the first few years of their company's existence. When Google first started, it was two founders and an idea - today it is one of the most important companies in the world. This is the type of company the Startup Visa proposal is addressing.

The U.S. remains one of the most attractive countries for entrepreneurs. It has a culture of risk taking, capital formation, and an economic dynamism that is the envy of the world. This gives us a competitive edge that we should not let slip through our fingers.

## **Arizona**

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## **California**

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Andy Rachleff, Benchmark Capital  
Matt Cohler, Benchmark Capital  
Peter Fenton, Benchmark Capital  
David Cowan, Bessemer Venture Partners  
Rob Stavis, Bessemer Venture Partners  
Deepak Kamra, Canaan Partners  
Brent Ahrens, Canaan Partners  
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Christian Borchert, Cardinal Venture Capital  
Ravi Belani, Draper Fisher Jurvetson  
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Dave McClure, Founders Fund  
Joyce Chung, Garage Technology Ventures  
Kamran Elahian, Global Catalyst Partners  
Vijay Parikh, Global Catalyst Partners  
Koji Osawa, Global Catalyst Partners  
Reid Hoffman, Greylock  
David Sze, Greylock  
Tom Bogan, Greylock  
Alexander Rosen, IDG Ventures  
Manu Kumar, K9 Ventures  
Gideon Yu, Khosla Ventures  
Pascal Levensohn, Levensohn Venture Partners  
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Katherine Barr, Mohr Davidow Ventures  
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Rob Theis, Scale Venture Partners  
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Rory O'Driscoll, Scale Venture Partners  
Karan Mehandru, Scale Venture Partners  
Jeff Calcagno, Scale Venture Partners  
Rob Herb, Scale Venture Partners  
Mary Denten, Scale Venture Partners  
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Rand Lewis, Delta V Capital  
Brad Feld, Foundry Group  
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