

September 21, 2011

The Honorable Elton Gallegly
Chairman
House Judiciary Committee
Subcommittee on Immigration Policy and Enforcement
Washington, DC 20515

The Honorable Zoe Lofgren
Ranking Member
House Judiciary Committee
Subcommittee on Immigration Policy and Enforcement
Washington, DC 20515

Re: For the hearing record, concerning the September 14, 2011 hearing on:
The Investor Visa Program: Key to Creating American Jobs

Dear Chairman Gallegly and Ranking Member Lofgren:

On behalf of the U.S. Chamber of Commerce, I would like to express our view that one of the most significant areas where Congress can act and have a direct impact on expanding job creation is immigration reform. The Chamber applauds the Committee for holding this hearing and requests that this letter be included in the hearing record.

The U.S. Chamber of Commerce is the world's largest business federation, representing the interests of more than three million businesses and organizations of every size, sector and region. The Chamber's recently established Center for Entrepreneurship, the latest in a series of initiatives launched to target young entrepreneurs through the Chamber's landmark Campaign for Free Enterprise, supports the ongoing and recent initiatives from Congress and the Administration which promote American job growth by encouraging foreign entrepreneurs to invest and start business in the United States.

As you are undoubtedly aware, the March 2011 Kauffman Index of Entrepreneurial Activity, an annual report from the Kauffman Foundation of Entrepreneurship, supports the notion that foreign-born entrepreneurs in the U.S. are increasingly active in creating jobs for Americans in the U.S. The Kauffman study recognizes that until the recent financial crisis, U.S. job and output growth was driven by the formation of startup businesses. Recently, all existing startups older than five years (and possibly those older than one year) on net generated no additional jobs. The additional workers hired by these expanding firms were offset by job layoffs or voluntary departures of workers at firms whose employee number shrank. To create jobs the U.S. needs to facilitate the creation of startup businesses. The most obvious and easiest place to start is by welcoming entrepreneurs and other skilled individuals from abroad who want to come here to build companies and hire Americans. According to the Kauffman study, immigrants start companies here at greater rates than native born Americans do, and are

disproportionately successful in starting high-growth, high-tech firms. Welcoming job creators will expand employment and improve the economic future of the United States.

The Chamber suggests that Congress should:

- Encourage the Administration to create more business-friendly policies and comply with the January 18, 2011 Executive Order requiring agencies to ensure that regulations promote “economic growth, innovation, competitiveness and job creation and predictability.” The Administration made an initial effort to promote and streamline entrepreneurship immigration programs in the August 2, 2011 policy announcements of U.S. Citizenship and Immigration Services concerning entrepreneurship, and related outreach efforts that have ensued, but the agency must take additional steps to create a cultural change among those who adjudicate applications filed by foreign entrepreneurs. Additionally, the Administration should be encouraged to launch new engagement opportunities to seek input and feedback on how to address the unique circumstances of entrepreneurs, new businesses and startup companies.
- Cut pre-existing red tape for foreign entrepreneurs. Currently, bureaucratic procedures restrict entrepreneurs trying to immigrate to the U.S. to start their businesses and hire American workers. If Congress is truly interested in facilitating immigrant entrepreneurship, the Administration must be pushed to make changes to regulations and adjudication processes. For example, the Administration must not demand excessive documentation or dismiss the achievements of well-qualified applicants who could start businesses or create jobs in the U.S. Moreover, the way some current laws and regulations are interpreted prevents entrepreneurs from obtaining a visa. For example, under current interpretations, business owners who want to start companies and hire U.S. workers cannot do so in the U.S. because, by definition, they do not have an employer to file a petition for them and they cannot petition for themselves. Common sense changes to the way visas are adjudicated could make a significant difference to aspiring immigrant entrepreneurs.
- Create visas for entrepreneurs who invest in the U.S. and create jobs. The current EB-5 program benefits entrepreneurs who invest at least \$1 million in commercial enterprises (\$500,000 in rural or high unemployment areas). However, this visa program could be simplified and made more effective. Entrepreneurs who invest smaller amounts are also important to the economy and job creation, and Congress should be encouraged to create or modify a visa program to accommodate these job creators. Further, immigrant entrepreneurs who live outside the country or currently reside in the U.S. should be given opportunities to start up businesses and create jobs within the U.S. Consistent with the “StartUp Visa Act”, Congress should be encouraged to create a new visa category, the EB-6 visa, for these individuals that lead to permanent residency.
- Remove hurdles for foreign students with desirable skills to remain in the U.S. Current law prevents companies from obtaining green cards for foreign students without the student first having to return home for a period of time or without first having to obtain a temporary H-1B visa. This law makes staying in the U.S. after graduation often

uncertain and expensive for foreign graduates. As a result, foreign students are pursuing career opportunities outside the U.S. and the country is losing valuable talent. To mitigate these effects, immigration law should allow foreign students in graduate programs to remain in the U.S. after graduation or the expiration of their practical training to pursue job growth activities, including filling skilled labor positions and creating start up business ventures.

Each successful startup business creates new jobs, further strengthens our economy and contributes to the intellect capital of our nation. These reforms are practical and deserve bipartisan support. They promote the entrepreneurial spirit that makes the United States the most unique and progressive country in the world, while creating American jobs that are so desperately needed during this difficult time. The Chamber believes improvements in these programs are only one part of America's dysfunctional immigration system in need of reform. It is our hope that Congress can also move legislation concerning other aspects of immigration reform, recognizing that compromises will be necessary. The Chamber commends your effort to take a deeper look at these programs and looks forward to working with you on this crucial issue for our economy.

Sincerely,

A handwritten signature in black ink, appearing to read 'Randel K. Johnson', with a large, sweeping flourish at the end.

Randel K. Johnson
Senior Vice President
Labor, Immigration, &
Employee Benefits