



Ms. Samantha Deshommes
Chief, Regulatory Controls Division
Office of Policy & Strategy
U.S. Citizenship and Immigration Services
Department of Homeland Security
20 Massachusetts Avenue, NW
Washington, DC 20529

Docket No. USCIS-2015-0006

17 October 2016

Dear Ms. Deshommes

I am writing on behalf of IEEE-USA, the largest organization of technology professionals in America, in reference to the USCIS proposed International Entrepreneur Rule (*DHS Docket No. USCIS– 2015–0006*). While we applaud the Obama Administration for recognizing the importance of stimulating U.S. economic growth and job creation by attracting immigrant entrepreneurs, we have concerns about this proposal.

Parole has traditionally been used as a temporary authorization to enter the United States on a case-by-case basis for urgent humanitarian reasons or significant public benefit. Yet this proposal would put forward an administrative interpretation that vastly expands this usage, and does so in ways not envisioned by Congress. This could raise serious legal and congressional concerns.

Moreover, the proposal fails to give immigrant start-up entrepreneurs what they need – clear legal status. Since parole does not constitute formal admission to the United States, it will likely make it very difficult for foreign start-up entrepreneurs without clear legal status to enter into long-term contacts, raise hundreds of thousands of dollars, and employ people. While all entrepreneurs face a certain amount of risk starting up a company, unclear legal status makes all of these challenges worse.

In addition to clear legal status, immigrant entrepreneurs need time and flexibility to flourish. Unfortunately, this proposal would provide a very tight time window (initial application for parole, 2 years and re-parole, 3 years) in which to succeed, and tight constraints placed on the type of business and business models they can use. The less flexibility entrepreneurs have, the less likely they are to succeed.

Furthermore, this proposal grants a great deal of leverage to investors. Under the proposal, established U.S. investors will hold 85% - 90% equity (including intellectual property) in the start-up of an immigrant entrepreneur. Because parolees require funding to maintain their legal status, the immigrant entrepreneur would be dependent on investors for an opportunity to remain

in the country. And, because the sources of funding are limited by the proposal (family funds, personal savings and awards or grants from allied foreign governments are not allowed), many immigrant entrepreneurs will be compelled to hand over their company and ideas to their investors in exchange for their continued presence in the U.S.

On top of this, at the end of five years, after advancing and demonstrating an active and central role in the operations and future growth of the business, the proposal contains no plans to allow the entrepreneur to stay in the United States. While it is possible that the immigrant could get a green card while on parole, there is no guarantee that this will happen. In many cases, after spending five years building a company, the entrepreneur will simply be forced to leave the country when his/her parole runs out, harming the entrepreneur, his/her business and their employees.

Lastly, this proposal fails to account for the most likely outcome of any attempt to start a business – failure. One of America’s great economic strengths is that we allow people to try again. Entrepreneurs who found businesses that fail frequently try again – and may succeed the second, third or fourth time as they learn from their mistakes. But the proposal does not allow second chances. Should their business fail (as most will), individuals on parole will have to leave the country. This represents a lost opportunity for the country and will severely curtail the value of this program to the American economy.

This is especially true since the proposal defines “failure” and anything short of robust growth. Failure could be simply a single year in which the business operates “in the red,” which would eliminate it from the parole program. Yet most start-ups operate at a loss for years before flourishing. The proposal makes no allowances for the normal setbacks that plague all new businesses, and therefore fails to tolerate the normal highs and lows of new businesses.

IEEE-USA applauds the Administration for attempting to find a way to make it easier for non-Americans who wish to start a business in the United States to do so. And, we recognize that the best way to do this – creating more green cards faster to ensure that America remains open to the talent and energy of foreign-born entrepreneurs – requires congressional action. However, we are concerned that this well-meaning proposal would not be very useful, and could in fact be harmful to potential immigrants.

Sincerely,



Peter Eckstein
President, IEEE-USA