

USCIS ANNOUNCES “ENTREPRENEURS IN RESIDENCE” INITIATIVE

Press Conference

Moderator: Edna Ruano, Chief, Office of Communications

U.S. Citizenship and Immigration Services (USCIS)

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Coordinator: Welcome and thank you for standing by. All participants are in a listen-only mode. During the question and answer portion of today’s call please record your name and media outlet when prompted. Today’s call is being recorded. If you have any objections please disconnect. I will now turn the meeting over to Edna Ruano. Thank you, you may begin.

Edna Ruano: Thank you (Andrea). My name is Edna Ruano and I am the chief of the Office of Communications at USCIS. Thank you for everyone who had a chance to join us today. We greatly appreciate it.

On the line you will have two participants discussing today’s announcement. The first, Director Alejandro Mayorkas for USCIS is currently at a meeting with the president and the Council on Jobs and Competitiveness in Pittsburgh. He will be stepping out of that meeting shortly and will be joining us on the call; so, just keep that in mind.

The other individual who is on the call right now is the White House Office of Science and Technology Policy Deputy Director for Policy Tom Kalil. I would like to go ahead and hand it over to Mr. Kalil who will give us an overview of what exactly the president was doing today in Pittsburgh. Thank you Mr. Kalil.

Tom Kalil: Thank you and I'm going to be talking about what the president was doing today with the Jobs Council and also set the stage for the announcement that Ali will be going over later in the call by talking about the president's Startup America initiative.

The president is in Pittsburgh meeting with his Jobs Councils and they have been developing a series of policy recommendations about things that the administration can do, things that the Congress can do, and steps that the private sector can take to create jobs.

And they're focusing on five areas. One is improving infrastructure and energy development. The second is helping high growth firms. Third is attracting foreign direct investments. Fourth is simplifying regulations. And fifth is improving education and immigration to improve job skills.

And the announcement that we're going to be talking about this afternoon relates particularly to immigration and particularly immigration around foreign entrepreneurs.

And this is an element of an initiative that the president launched earlier this year called Startup America. And the premise of Startup America is that if you look at the recent economic research it shows that small high growth firms account for a disproportionate number of the net jobs created in the United States and therefore Startup America is about celebrating, inspiring, and accelerating high growth entrepreneurship across the country.

And since that initiative was launched in January of this year we have made progress in a number of areas. One is to launch a program that is providing \$2 billion in capital to leverage additional private sector capital particularly in underserved markets and for early stage innovative firms.

We have launched a series of initiatives that are connecting experienced mentors to entrepreneurs whether those are in areas like clean tech or support for mentorship for military veterans that are thinking about starting their own businesses.

We have taken a number of steps to make it easier for entrepreneurs to get access to intellectual property and patents that have been funded by the federal government through agencies like the Department of Energy and the National Institutes of Health.

The president just signed the America Invents Act which is going to make it easier for entrepreneurs to get fast track decisions on their patents and we have taken a number of steps to move ideas from the lab to the marketplace more quickly. So for example the National Science Foundation has launched a program called the Innovation Corps.

That - so we have a series of policy announcements that the federal government has made, that the administration has made, but we also have a very close collaboration with the private sector.

And with the leadership of the Kauffman Foundation and Steve Case, co-founder of AOL, the private sector has launched something called the Startup America Partnership and they have in a very short period of time mobilized financial in-kind commitments of \$730 million to provide product services, mentorship, and funding to scale and grow 100,000 American startups over the next three years.

And if you go to startupamericapartnership.org you can see all of the services and products and discounts and other forms of assistance that are now available to high growth entrepreneurs as a result of this partnership.

So in addition to the actions that we have already taken, there are a number of proposals that the administration has made that will require changes in legislation. Those include providing a permanent 100% exemption from capital gains taxes for investors that make long term investments in startups and small businesses.

The American Jobs Act is going to cut payroll taxes for America's small and growing businesses. The president's jobs plan also includes a number of new initiatives that are going to make it easier for high growth firms to raise capital and grow public.

Those include for example working with the SEC to make it easier for allowing startups to raise money through something called crowd funding which is collecting a lot of small dollar investments that could add up to as much as \$1 million and raising the cap on so-called mini public offerings from \$5 million to \$50 million.

Now another major party for the Startup America initiative is attracting and retaining immigrant entrepreneurs who are going to create jobs in the United States.

And as part of creating a 21st century immigration system the president supports legislative measures like the Startup Visa Act which would create a new visa category for foreign entrepreneurs who receive financing from U.S. investors.

But we're not just sitting around and waiting for Congress to act. We're also taking steps that we can take under the current immigration law to make it easier for job creating entrepreneurs to come to the United States and that's what Director Mayorkas is going to be talking about today.

Alejandro Mayorkas: And this is Alejandro Mayorkas, I just joined and I apologize for being late. Can everyone hear me?

Tom Kalil: Yes.

Alejandro Mayorkas: Terrific. Forgive me, I just jumped on so...

Tom Kalil: Ali this is Tom, I'm all done. Take it away.

Alejandro Mayorkas: Okay thank you very much Tom and forgive me again for being late. And I don't know what ground Tom covered so if I can just speak to our announcement today and let me give everyone a bit of background.

We as an agency have been focused in the absence of legislative action to create newer broader pathways for the best and brightest from around the world to come to the United States and really take advantage of the opportunities here to enable our economy to grow and to create jobs for American workers.

We in the absence of that legislative action are reviewing our policies and our processes to ensure that we are capturing the existing laws and the legislative intent behind those laws.

You know, August of this year we began a series of announcements with respect to policy and process improvements to ensure that the maximizing effect of current laws was indeed being realized.

Today we are taking an additional step. We are and have announced the new Entrepreneurs in Residence program with U.S. Citizenship and Immigration Services or USCIS as it is commonly known.

And that Entrepreneurs in Residence program is really a two-tiered model and it is premised on the basic principle that our agency would benefit tremendously from having expertise from both the public and private sector join us and help guide our efforts in ensuring maximum use of existing laws.

We are going to have information summits that will be populated by experts from the public and private sector, entrepreneurs, business leaders, academics, thought - and other thought leaders come and share with us the realities, dynamics, and challenges that the business world confronts when dealing with United States immigration system and the visa pathways that are currently available.

And that input will help us guide - will guide us in the development of policy improvements. It will guide us in identifying process, internal adjudication process challenges and addressing those challenges.

It will inform the training efforts that we build that is a very significant priority of ours. And it will help us in devising metrics so that we are sure to know what our challenges remain, what successes we achieve, and what really success means in terms of spurring economic growth and helping create American jobs.

We will also have the second tier of this effort is really a tactical team approach and that is to take the guidance that we receive on the policy level, on the process level, on the training level and to execute and to implement, to guide the USCIS personnel that are very motivated to realize the goals of which I speak.

To help them implement the ideas in the formulation of policy and the engineering of process and the development of new training protocols so indeed we are capturing the full power of the laws that currently exist to attract talent, to spur entrepreneurial growth, to maximize innovation all for the benefit of our economy and the American worker.

That is really what this program is, I think it is, at present the culmination of a series of announcements that we have made to date and more will follow but we're very proud of the announcement today.

I'm happy to open it up to questions, to speak of our prior announcements in August and since. I can give in a nutshell what I'm referring to. In August we made some very serious - very significant announcements with respect to clarifying our guidance with respect to the avenues available to entrepreneurs to come to the United States and invest their talent in the creation of new companies and the employment of American workers. The H1B visa, the visas available to those with exceptional ability.

We also have made significant improvements in the EB5 program, the Immigrant Investor visa program. We have brought business analysts on board to help our adjudicators in assessing and addressing the complex proposals that are presented in the applications and petitions we receive.

We have awarded a contract for the process review and engineering of our adjudicative work. We have instituted direct email access between applicants and petitioners and our adjudication teams so that we identify adjudication issues and address them on a real time basis. That's going to lead to very significant process improvements.

We are going to be implementing premium processing in the EB5 arena which provides for a really accelerated adjudication time period. And a decision board, a panel of experts, USCIS personnel who will give people who want to address in live or by telephone any outstanding issues or questions that remain before their cases are resolved.

Edna Ruano: Thank you Director Mayorkas. We'll hand it over to (Andrea) or (Jennifer) to help us facilitate the questions.

Coordinator: Okay if you would like to ask a question please press Star 1. Please record your name and media outlet when prompted. One moment. (Aziz Hanafar). (Patrick Thibodeaux), (Computer World).

Edna Ruano: We're ready for your question.

(Patrick Thibodeaux): Hi, listen thank you very much for taking my question. In terms of legislative efforts, how much of this can you do without legislative efforts and will you take say a position on - does the administration have any plans to take any position on say an effort by (Bill Walker) and some others to provide green cards automatically to people who graduate with advanced degrees in STEM fields?

Alejandro Mayorkas: I appreciate the question. So that is the perfect example of where legislation is needed that we have heard in Pittsburgh today and we heard from the entrepreneurial community.

And they articulated a concern that there are just not adequate avenues for the best and brightest students who come here to the United States to be educated in the STEM fields to actually remain in the United States and to use the skills that they have learned, the knowledge they have gained for the benefit of the United States economy and the American worker.

And what they are seeing is an exodus of that talent. In other words we educate and we train and unfortunately because the paths available to them are not sufficient, they leave the country only to compete against us equipped with the tools that we have provided them. That is when legislation is needed.

What we at U.S. Citizenship and Immigration Services are focused on right now is in the existing avenues, the H1B avenue, the specialized knowledge avenue for example, in certain of the E categories, are our processes as quick and efficient as possible to enable these individuals to stay and not confront roadblock in the adjudication processes.

Are our policies actually fully realizing the legislative intent behind these visa categories that are indeed designed to attract talent from other countries? Are our training programs really everything that they should be to ensure from a quality perspective that our adjudicators are equipped with the tools that they need, that they have our policies in mind, and that they are executing on the legislation's intent?

That is what we are focused on while Congress addresses proposals such as those put forth by Congresswoman Lofgren.

Tom Kalil: And this is Tom Kalil. Just a couple of things I would add to that and that is that the president has as part of his overall plan to overhaul America's immigration system for the 21st century.

He has explicitly called for number one, increasing the number of green cards for high skilled workers. Number two, the startup visa proposal which would create a new visa category for foreign entrepreneurs. And number three, allowing foreign students that get a degree in a science, technology, engineering, and math discipline at the graduate level to stay in the United States.

Obviously he also believes that we need to do more to ensure that U.S. workers and American students are excelling in these subjects and that is why he has launched an initiative called Educate to Innovate which is all about moving the United States from the middle to the top of the pack in STEM education.

The Jobs Council is working on an initiative at the undergraduate level to expand the number of undergraduates who get degrees in engineering by 10,000 per year.

Edna Ruano: Thank you, we're ready now for the next question.

(Nick Lieber): (Nick Lieber). Hello, this is (Nick Lieber).

Edna Ruano: Hi, with what media outlet?

(Nick Lieber): Bloomberg BusinessWeek.

Edna Ruano: Thank you.

(Nick Lieber): I just had a quick question. Just how will this program work? What's the timeframe and who are some of the people who will participate?

Alejandro Mayorkas: So we are - the issue of who actually we will bring in is something that we're going to be working on in the next week or two. We have to be very mindful of the fact that there are ethical guidelines that define the types of people that we can bring in by virtue of the fact that we have significant (conflict) pools and the like.

So we are working on that and we are seeking to implement this as quickly as possible. We want to get this rolling in the coming weeks, not months.

Tom Kalil: And this is Tom. Just to add two quick points to that and that is that the administration has had some success in doing this in other agencies and I'll provide two examples.

One is HHS was required by Congress to create healthcare.gov just three months after the Affordable Care Act was passed so the site had to enable consumers across America to find public and private health insurance options that might be right for them.

And they responded by creating a lean startup team which this was an interdisciplinary group from across the department iterating the site on a daily basis. And as a result healthcare.gov was launched on time to widespread acclaim and also frankly some surprise that the government could pull something like this off in 90 days.

Last week the FDA announced they would be launching an Entrepreneur in Residence program that is bringing in a team of entrepreneurial experts to build a new innovation pathway program for reviewing breakthrough medical devices. So these are a couple of instances in which we have used this methodology in other agencies.

(Nick Lieber): Okay so for - in this instance will the people be physically coming to your offices or will you be checking with - in with them over the phone, over email? Like how will all that actually work?

Alejandro Mayorkas: So the mechanics is something that we are working out but our plan is we will issue more information on next steps. But our plan is not to do this remotely but to have people come into the agency. We need to - we need in person interaction with our policy team, our processing team, and our training team. This is a collaborative effort.

(Nick Lieber): And people will come like once a week, once a month? How often?

Alejandro Mayorkas: We're trying to work out the - work out those details. Those are some of the very questions that we have on our menu of tasks to address.

(Nick Lieber): And how long will it last for?

Alejandro Mayorkas: Until the need remains. And whether we use the same cadre of people or whether we actually circulate different people with different perspectives and different levels and types of expertise is something we are considering as well because we do want a full breadth of exposure to different ideas and different personnel.

This is not something, you know, I mentioned the EB5 program. I know it's something that you have written about before. We started with already with our process engineers and business analysts on a contract basis.

(Unintelligible) EB5 program because of the potential that lies there and that we need to tap that potential immediately.

But this program of Entrepreneurs in Residence and what it represents cuts across all visa lines and is not limited to the EB5 program by any measure.

(Nick Lieber): Right, it's really - it's every visa potentially.

Alejandro Mayorkas: That is correct and we're going to be looking at it in the arts and entertainment arena and the O&P visa lines for example. That's exactly correct.

(Nick Lieber): And all the H1 and...

Alejandro Mayorkas: Yes.

(Nick Lieber): Okay. And roughly how many people are you thinking about? Is it dozens, is it a dozen, is it 100?

Alejandro Mayorkas: I think that we are speaking of less than dozens because, you know, the approach we have taken in the EB5 arena just to give you an example is we have brought in a very - a surgical team of just a handful of people and we thought that what we would do is have them explore the need and identify the capacity of the agency to move as quickly as possible and to build from there.

And that's exactly what I think the approach that we are going to take with respect to the Entrepreneurs in Residence. We're not going to introduce 100

people into the agency, we're going to start tactically and surgically in discreet product lines with a small group of people. And as we gain traction and understand what success is and what it can be we'll build from there.

(Nick Lieber): Well thanks very much Ali and thanks Tom.

Alejandro Mayorkas: Thank you, thanks.

Tom Kalil: And if you're interested we can send around a list of - for the FDA program who is participating in the strategic team. These are folks who are outside the government but are going to be providing advice. And the tactical team that will actually be responsible for implementation.

Coordinator: Again, if you would like to ask a question please press Star 1. Please record your name and media outlet. Again please press Star 1 and record your name and media outlet if you would like to ask a question. One moment.

Edna Ruano: If we don't have any more questions thank you for your time. Again if you are interested in speaking to USCIS about this announcement that we made today please contact the USCIS headquarters press office at (202) 272-1200. Again that number is (202) 272-1200.

Coordinator: We have one more follow-up question. Please go ahead.

(Aziz Hanafar): (Aziz Hanafar). Yes, this question is for the director. Hello?

Alejandro Mayorkas: Yes I think I can hear you.

(Aziz Hanafar): Yes in terms of the legislation in addition to Congresswoman Lofgren, Senator Kerry has also introduced legislation in terms of reducing the

entrepreneur investor from \$1 million to \$500,000. I wanted to know how the administration is pushing for that and if the administration is pushing for that.

And also as a follow-up, there have been various reports that have come out that the huge backlog of green card - people waiting for green cards particularly from India and China, that instead of getting immigrant investors and immigrant entrepreneurs, here is this pool of guys waiting for it but that the administration doesn't seem to be using it to (unintelligible).

And also USCIS doesn't seem to be moving fast enough. And they say that here is a readymade pool of immigrant entrepreneurs and there is no need for people to even come in if this pool could be expedited.

Alejandro Mayorkas: I can only - if I can, let me take your last point because frankly our processing times on our visa lines is faster than it ever has been. So I don't think that the delay of which you speak is at the root of the problem.

I think what we encounter and what I encounter in speaking to groups just as I did today which included people from all parts of the world including China, India, and the like is the - something that Tom referred to earlier which is the visa quotas and the wait for visa availability, not for USCIS adjudication time.

Our EB5 processing times were very focused on accelerating those times and that is why we have implemented some of the reforms that are already underway. Process engineering and bringing business analysts, hiring economists, instituting direct email access, and working on the process for the implementation of premium processing which is a 15 day processing time.

Tom Kalil: So the only thing I would add to what Ali said is that the administration supports some legislation in this area, one area having to do with the per

country caps on the number of visas and the second is increasing the number of green cards for high skilled immigrants.

So I think that although there are some things that we can do administratively there are areas that require legislation and increasing the per country caps and increasing the total number of green cards are things that are going to require legislative action as part of an overall redesign of our immigration system for the 21st century.

Edna Ruano: Thank you Director Mayorkas, thank you Mr. Kalil. As I mentioned beforehand, if you have any follow-up questions about the announcement today of the Entrepreneurs in Residence initiative please call (202) 272-1200. Thank you.

Alejandro Mayorkas: And thank you all for joining.

Coordinator: Thank you. This concludes today's conference. You may disconnect.

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