

January 16, 2015

The Honorable Orrin Hatch  
104 Hart Senate Office Building  
Washington, DC 20510-4402

Dear Senator Hatch:

Mobile app and software development companies strongly support the I-Squared Act and are thankful for your continued leadership in the innovation economy.

The I-Squared Act addresses a critical issue facing the tech industry. We suffer from a dramatic shortage of software developers and engineers. Employees with these skills are essential for our businesses to function. Yet the talent deficit we face is one of the biggest obstacles to growth for software companies.

The Bureau of Labor Statistics (BLS) expects demand for app developers will grow over 20 percent in the next decade. However, our colleges and universities have been producing far fewer computer science graduates than what is needed to meet this demand. By the year 2020, BLS projects there will be one million more computing jobs than graduates to fill them.

This is a problem that affects companies both big and small. In order to attract and retain developers, Silicon Valley giants offer employees lavish perks with gourmet cafeterias and personal valet service. And yet, they still have thousands of openings.

Smaller companies face similar challenges. With fewer employees, a single developer or software engineer can make a substantial difference in the company's success. Some of our member companies report having whole teams relying on a single employee. When one departs, it can mean the end of a project and the jobs associated with it.

This high demand for software developers and engineers is reflected in their generous compensation. In 2013, BLS listed computer and information systems managers as one of the highest salaried occupations with a median figure of \$123,950. The Creative Group, a staffing service for digital companies, released an employment study this week that found the average starting salary for app developers is between \$107,500 and \$161,500.

The root of this persistent worker shortage can be found in the meager resources our schools have to invest in computer science. Only 1 in 10 high schools offer the class, and computer science accounts for just 0.6 percent of all Advanced Placement tests taken — a 60 percent drop since 2000. With high school graduates

unprepared to meet the rigors of a computer science degree program, universities must often admit foreign students who are ineligible to work in the U.S upon graduation.

To meet the growing demand for software developers and engineers, many companies look to bring specialists in from overseas. This requires significant time and resources to acquire the necessary visas. This is a critical option that meets immediate staffing needs. Its long-term impact is limited, however, and does not address the underlying problem of America's widening developer deficit. Simply put, our nation cannot maintain its global technology leadership with a foreign labor dependency.

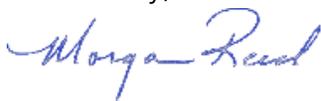
The I-Squared Act offers the best route to fix this problem. It also does this by addressing the short- and long-term needs for both tech giants and startups. The short-term expansion of high-skilled visa programs and green cards provides immediate relief for companies with a backlog of openings. This allows U.S. companies to pursue new projects and remain competitive.

While small companies may go this route, startups and future innovators will also benefit from the education element of I-Squared. Revenues generated from the visa and green card expansion will be invested in science and technology programs from primary school to university. This is especially important to the long-term success of startups and small tech companies. Investing in computer science education will ensure that our country can produce the talent we need to remain the global leader in the innovation economy.

The I-Squared Act will prepare more students for careers in our industry and facilitate the growth of a homegrown developer workforce. It will also prepare more American students for lucrative careers in the tech industry. Everybody wins with this solution.

That is why app makers, startups, and small tech companies stand behind you with strong support for the I-Squared Act. We look forward to working with you and offer any assistance we can provide to ensure the success of this legislation.

Sincerely,

A handwritten signature in blue ink that reads "Morgan Reed". The signature is written in a cursive, flowing style.

Morgan Reed  
Executive Director

CC: The Honorable Amy Klobuchar  
The Honorable Marco Rubio  
The Honorable Chris Coons  
The Honorable Jeff Flake  
The Honorable Richard Blumenthal