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September 2, 2016

By: Electronic-mail
prtaskforce@mail.house.gov
Congressional Task Force on
Economic Growth in Puerto Rico
Washington, DC

**Re: Parallel18, an economic development strategy that supports high-impact
Startups to scale from Puerto Rico to the world.**

Dear members of the Task Force:

On behalf of Parallel18, an initiative hosted by the Puerto Rico Science, Research and Technology Trust, we are writing to schedule a session to discuss the importance of supporting the sustainability of Parallel18 to further develop and strengthen the technology and innovation ecosystem in Puerto Rico. Parallel18 is an economic development program that attracts and supports high-impact local and global startups, and entrepreneurs to scale to the United States and Latin America. Puerto Rico's unique geographic location serves as a unique gateway for Latin American startups to scale to the United States, and startups in the United States to scale to Latin America. Every year Parallel18 hosts two 5-month generations of up to 40 companies each, and provides a \$40,000 grant, a co-working space located in the neighborhood of Santurce in San Juan, and support with the soft landing process when commencing operations and connecting with key government agencies and clients in Puerto Rico. The program offers a curriculum with 65 different topics around entrepreneurial acceleration that are taught by 25 high-caliber mentors from key cities for innovation such as San Francisco, New York, London, and Mexico City, as well as local subject-matter experts and leaders. Parallel18 targets companies that have a minimum viable product (MVP) and are generating revenue and scaling sales to multiple markets. Puerto Rico has a particularly interesting scenario for startups including a Hispanic culture, US infrastructure, and competitive tax incentives that certainly support the development of an innovation and entrepreneurship ecosystem composed of founders, investors, and strategic partnerships with federal organizations.

Since our launch in December 2015, we have received a total of 922 applications from more than 44 countries around the world. Our cohorts are composed of 25% Puerto Rican founders, 32% US mainland founders, and 43% international founders. Puerto Rico has had a brain drain for the last five years, and we are proud to say that in only 9 months we have had 5 cases of members of the Puerto Rican diaspora that have moved to the island to be part of the program.

Through Parallel18's Give-Back program, all participating founders are required to engage with the entrepreneurial ecosystem in Puerto Rico, as mentors to other entrepreneurs, or to students

that are potentially thinking of leaving the island when they graduate from college. Up to this date we have had 70 engagements with Parallel18 entrepreneurs and the local ecosystem. Having a diversity of nationalities and industries in the program creates an enormous transfer of knowledge and generates motivation in many local citizens to consider entrepreneurship as a valid path for their professional development. Therefore, our goal is to retain Puerto Rican entrepreneurs in the island, bring back aspiring entrepreneurs that are part of the Puerto Rican diaspora, and develop new founders by creating a local pipeline through the interaction with members of our cohorts and the community. During the first generation of Parallel18, we had a total of 72 new hires between full-time employees, freelancers, and interns that now form part of the 36 startups. We are confident that during the next 5 years, we can create more than 1,000 direct and indirect jobs through the startups of Parallel18, and solidify the entrepreneurship ecosystem in the island to further economic development.

The Department of Economic Development and Commerce of Puerto Rico, the Puerto Rico Industrial Development Company, and the Puerto Rico Science, Research and Technology Trust currently fund Parallel18. Our goal is to identify other funding sources to ensure long-term sustainability of the program in order to maximize its potential and economic development impact.

If you have additional questions, please feel free to contact me at

Sincerely,

A handwritten signature in black ink, appearing to read 'Sebastian Vidal', with a horizontal line extending to the right.

Sebastian Vidal

Executive Director, Parallel18