

Idea floated for a startup colony anchored in Pacific Ocean

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Even here in the world capital of far-fetched ideas, this one is more outlandish than most. Two Silicon Valley entrepreneurs, frustrated by the shortage of visas that keep some of the world's brightest science and engineering minds from building companies on dry land, have hatched a plan to build a startup colony in the middle of the Pacific.

Max Marty and Dario Mutabdzija say they plan to park a [cruise ship](#) 12 nautical miles off the coast of Northern California in international waters. Foreign-born entrepreneurs would live and work on the ship, building startups within commuting distance of [Silicon Valley](#). They wouldn't need the work visas that are so hard to come by. They would just need business tourism visas that would let them ferry back and forth to Silicon Valley once or twice a week.

The unusual project, called Blueseed, illustrates the fantastical lengths to which some in Silicon Valley are willing to go in their bid to bring more highly skilled foreign workers and entrepreneurs to its shores.

The high-tech industry has been lobbying lawmakers without success to increase the cap of 65,000 [temporary work](#) visas permitted each year. Strict limits on high-tech visas keep foreigners - many of whom were educated in the United States, sometimes at taxpayer expense - on waiting lists for years.

That [brain drain](#) threatens the continued growth of the high-tech industry and the U.S. economy, said Vivek Wadhwa, author of "The Immigrant

Exodus: Why America Is Losing the Global Race to Capture Entrepreneurial Talent."

"We are choking off the supply of immigrants and the lifeblood of Silicon Valley," Wadhwa said.

But the 2012 elections, in which Latino voters played an influential role, have sparked new hope for sweeping immigration reform. And - for the first time - Silicon Valley leaders think they have a real shot at getting more high-tech visas for foreign talent.

Executives have met with President Barack Obama and lawmakers. They are planning a nationwide social media campaign, or "virtual march," to encourage people to use the Internet - email, Facebook, Twitter - to tell lawmakers they want immigration reform - a grass-roots tactic that last year helped Silicon Valley rally opposition to proposed legislation to combat piracy and established the high-tech industry as a political force. Silicon Valley has also begun to quietly lobby lawmakers in the Republican-controlled House.

Obama, in his State of the Union speech in February, called for "real reform" that would "attract the highly skilled entrepreneurs and engineers that will help create jobs and grow our economy."

Immigration reform for high-tech workers is also gaining momentum on Capitol Hill, where a bipartisan group of eight senators is working on comprehensive legislation.

Still, reform is far from certain. Democrats are insisting on a single bill on immigration, while some Republicans oppose key elements of a broad overhaul. Even the growing number of lawmakers who support reform worry it could harm American workers.

The Obama administration has its own immigration bill ready to go if congressional talks break down, but White House senior advisors have not tipped their hand to the high-tech industry on what specifically that would mean for it.

Marty, the son of Cuban immigrants, and Mutabdzija, who came to the United States as a refugee from the war-torn former Yugoslavia, said they grew weary of all the political talk about immigration reform in Washington. In 2011, they hatched the idea for Blueseed.

Unlike other countries, the United States offers no specific visa for highly skilled foreigners who want to start a business, Marty said. Eventually many of them return home in frustration or head for countries that entice them with visas and cash.

A recent study from the Kauffman Foundation found that the number of high-tech immigrant-founded startups has stalled for the first time in decades. The proportion of these companies in Silicon Valley declined to 44 percent in 2012 from 52 percent in 2005, according to the study.

Blueseed, which is targeting spring 2014 for its launch, borrows from the concept of "seasteading" - the libertarian idea to create floating cities that was championed by Patri Friedman, a former Google engineer and the grandson of economist Milton Friedman, and backed by venture capitalist and hedge fund manager Peter Thiel. Seasteaders want to build a flotilla of new sovereign nations on oil rig-like platforms anchored in international waters where people could live free from the burdens of taxes and government. Marty and Mutabdzija met while working at the Seasteading Institute.

More than 380 companies from 68 countries have applied for a spot on Blueseed. About a quarter of the applicants hail from the United States, but most are foreigners chasing the elusive Silicon Valley dream.

Andrew Considine, co-founder of mobile startup Willstream Labs, who is based in Ireland, says Blueseed could open up opportunities for his company and its employees, who might not otherwise get the chance to set foot in Silicon Valley.

"I think Blueseed is an incredible opportunity for non-U.S. entrepreneurs to work in what is no doubt the most powerful startup environment in the world," Considine said.

No one is sure how U.S. officials would react to Blueseed if it gets off the ground.

"Homeland Security is simply not going to be wild about foreign nationals living on a foreign flag cruise ship coming and going in the U.S. on a regular basis with the obvious goal of avoiding U.S. laws," University of Washington law professor Craig Allen said.

U.S. Customs and Border Protection declined to comment.

Marty and Mutabdzija have had to navigate the legal and logistical challenges to develop a permanent on-board community outside the territorial waters of the United States - not to mention plenty of eye-rolling.

Marty, Blueseed's chief executive, says he has heard all the "Atlantis Shrugged" and "Waterworld" jokes. He has patiently answered questions about pirates and tsunamis. Despite widespread skepticism, he insists Blueseed is a serious endeavor, not a publicity stunt.

"We are a very determined couple of founders," Marty said.

Many investors were put off by Blueseed's original proposal of a \$50 million Google-like complex equipped with its own helicopter pad, trees

and greenery, indoor soccer fields, swimming pools, rock climbing walls, massage therapists and other amenities. Marty and Mutabdzija say they have dramatically downsized that vision.

Blueseed's current plan is to lease - not buy - a cruise ship that could house 1,000 entrepreneurs plus crew. The ship would have cafes, a gym, co-working space, shipwide high-speed Internet access, medical professionals and a private security force. Entrepreneurs could share a cabin for \$1,200 a month or get their own for \$1,600. They also would hand over a 6 percent equity stake to Blueseed. Entrepreneurs could stay aboard six months to a year.

Blueseed got some much needed cash in December from Silicon Valley angel investor Mike Maples and others. But the \$350,000 round of funding was just a drop in the bucket: Blueseed is trying to raise \$27 million.

Maples, always on the hunt for big, daring ideas, says he invested in Blueseed to support immigrant entrepreneurs who might one day build the next Apple or Facebook.

"I don't know whether Blueseed will work or not," Maples said. "But here's another opportunity to help people who want to come to this country to build great companies."

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