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VIA EMAIL

November 2, 2015

Honorable Charles Grassley
Chairman
United States Senate Committee on the Judiciary

Honorable Patrick Leahy
Ranking Member
United States Senate Committee on the Judiciary

RE: Proposal for Long Term Re-Authorization & Reform of the EB-5 Regional Center

Dear Chairman Grassley and Ranking Member Leahy:

On behalf of Invest In the USA (IIUSA), we respectfully submit this letter with a recommended compromise proposal (the "Proposal") on how to approach the major issues holding up re-authorization and reform of the EB-5 Regional Center Program (the "Program"). Our members represent big and small projects, urban and rural economic development, and industry sectors ranging from real estate, manufacturing and energy to infrastructure, economic development and more. Recommended and supported by the IIUSA Board of Directors, the Proposal received unanimous support from our Public Policy Committee and from a significant majority of our membership in a poll taken last week.

As background, IIUSA is the national non-profit trade association for the EB-5 Regional Center industry with a mission of advocacy, education, industry development and research (see www.iiusa.org for more information). IIUSA is a diverse organization with over 290 Regional Center and 220 associate members. Our Regional Center members are an engine for economic growth in the United States and are responsible for over 95% of EB-5 capital investment nationwide, which now annually accounts for over \$4 billion in foreign direct investment (FDI), billions of dollar in gross domestic product (GDP), tens of thousands of U.S. jobs, and billions of dollars in federal/state/local tax revenue – all at no cost to the taxpayer. Time is running out for Congress to act to protect this important regional economic development tool by December 11, 2015 with billions of dollars of FDI and tens of thousands of American jobs on the line.

The Proposal is detailed below, addressing the four major outstanding issues delaying re-authorization and reform of the EB-5 Regional Center Program – **Targeted Employment Areas (TEAs); minimum investment amounts; job creation methodologies; and, effective dates.**

We look forward to finding an agreement on these core issues so there is ample time to provide feedback on the broader reform proposal that has been the focus of bicameral/bipartisan negotiations since introduction of S. 1501 in June 2015. It should be noted that the Proposal does not address several other important issues addressed in [IIUSA's July 17, 2015 letter to the Senate Judiciary Committee](#). We look forward to discussing these in more detail once the above-mentioned four key issues are addressed.

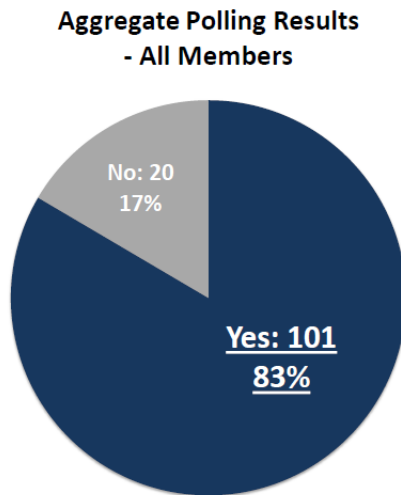
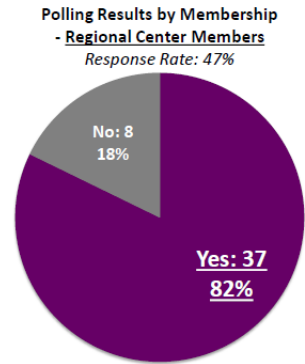
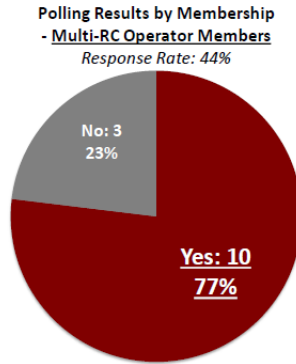
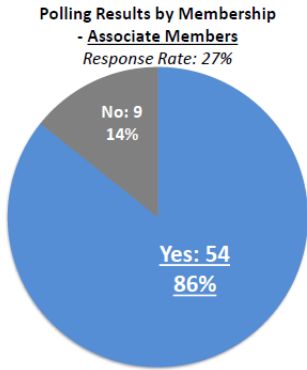
Proposal Details: Balancing Interests in EB-5 Reform

The IIUSA Board compromise recommendation was developed after careful and full consideration of the policy discussions to date, EB-5 and global industry data, recommendations from the Public Policy Committee on these issues, and review of the various legislative proposals on EB-5 from current and past Congresses ([S. 1501](#), [S. 2115](#), [S. 2122](#), [H.R. 616](#), and [H.R. 3370](#) from the current 114th Congress; [S. 744](#), [amendment #1455 to S. 744](#), [H.R. 2131](#), and [H.R. 4178](#) from the previous 113th Congress).

- **Targeted Employment Areas (TEAs):** High unemployment TEAs must be a geographic area or political subdivision consisting of no more than 12 contiguous census tracts or smaller subdivisions. Zero population subdivisions may not be used to establish contiguous connection between census tracts not otherwise connected.
 - *This proposal is modeled on the [state of California's current approach](#) and strikes a balance between the restrictive approach of S. 1501 and more expansive approach found in S. 2115 which represent the two ends of the spectrum in this debate.*
- **Minimum investment amount:** New minimum investment of \$800,000 in TEAs and \$1,000,000 in non-TEAs.
 - *Narrowing the delta between TEA and non-TEA investments should make it more feasible for projects in either category to raise capital, while the middle ground on TEAs above would provide sufficient opportunity for urban areas to qualify as TEAs, as happens today in much of California. The \$200,000 difference is less than half the difference currently proposed in S. 1501 (\$800,000 and \$1,200,000) and strikes a better overall balance in average amount than H.R. 3370, which proposed \$1,000,000 and \$2,000,000 as the TEA and non-TEA amounts, respectively. To be successful, the EB-5 program must be competitive with global immigrant investor programs in price and risk. A balanced two-tier system would help keep the Program competitive globally while giving both urban and rural areas the ability to compete for EB-5 investments.*
- **Job creation methodologies:** No geographic limitation on indirect job creation, limit on non-EB-5 capital contributions to project economic impact, or other changes to how job creation is currently measured.
 - *The ability to count indirect jobs in a manner consistent with regional economic development goals and the purpose of the EB-5 Regional Center Program is vitally important to maintain the utility of the Program. Maintaining the current policy on job creation will ensure that the true economic impact of the EB-5 Program is taken into account for investors seeking to qualify for their immigration benefits..*
- **Effective dates:** Program reforms do not apply to any investors who filed an I-526 petition before the date of enactment (*i.e.*, only apply prospectively to investors).
 - *Ensuring that all I-526 petitions are adjudicated using the rules under which they were filed, including those filed after 9/30 and the date of enactment for new legislation, is imperative to maintain investor confidence in due process, the American legal system—and as a result -- the EB-5 Program. Any retroactive application of any new rules on investors who have filed I-526 petitions under the existing rules would be reminiscent of 1998 when new rules from precedent setting Administrative Appeals Offices (AAO) decisions were applied retroactively. The resulting situation effectively froze the Program for more than four years as litigation proceeded and investor confidence disintegrated. The most important difference between 1998 and 2015 is the number of investors who would be affected, with well over 13,000 petitions currently pending at USCIS.*

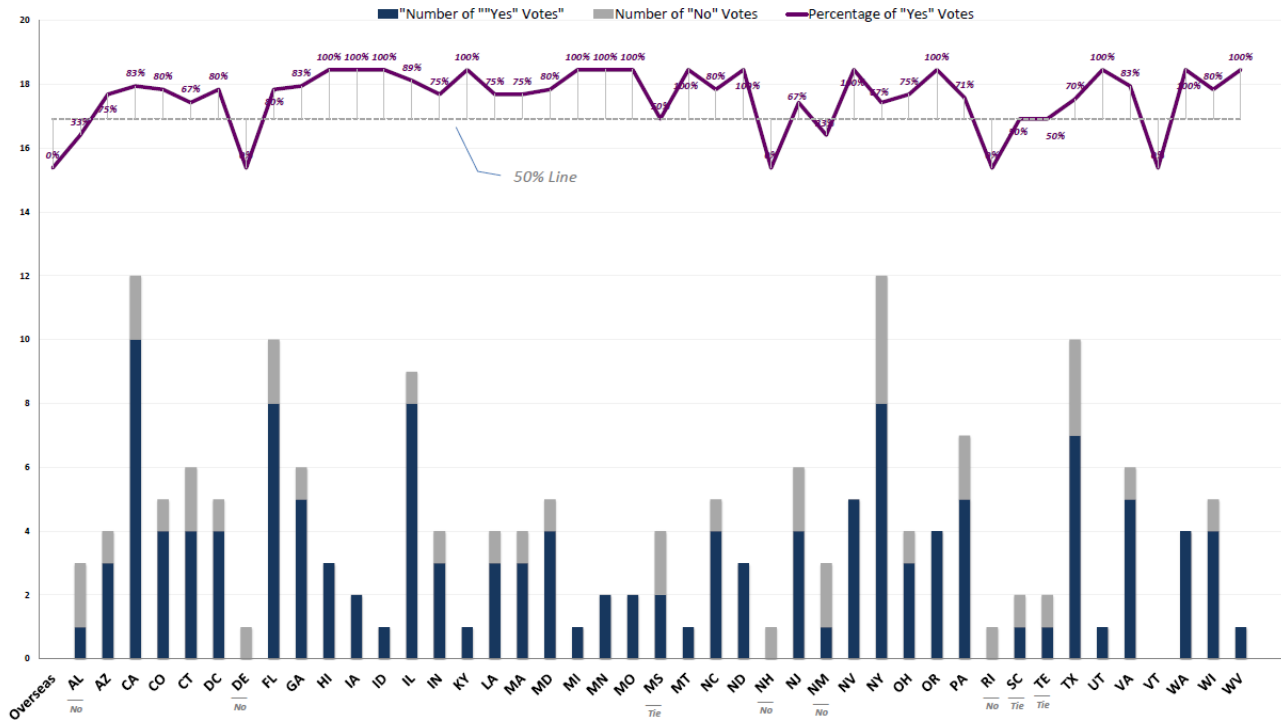
Member Poll Results by Membership Category & State-by-State

On Wednesday October 28, 2015, IIUSA called for its members to vote on a legislative compromise proposal recommended by the Board of Directors. Later that afternoon, the Public Policy Committee voted unanimously (12-0) in support as well. Members were given until the end of Thursday October, 29 2015 to cast their vote (“yea” or “nay”) and provide written comments. The results of the poll show strong support for the proposal by each membership category and in total with the following breakdown:



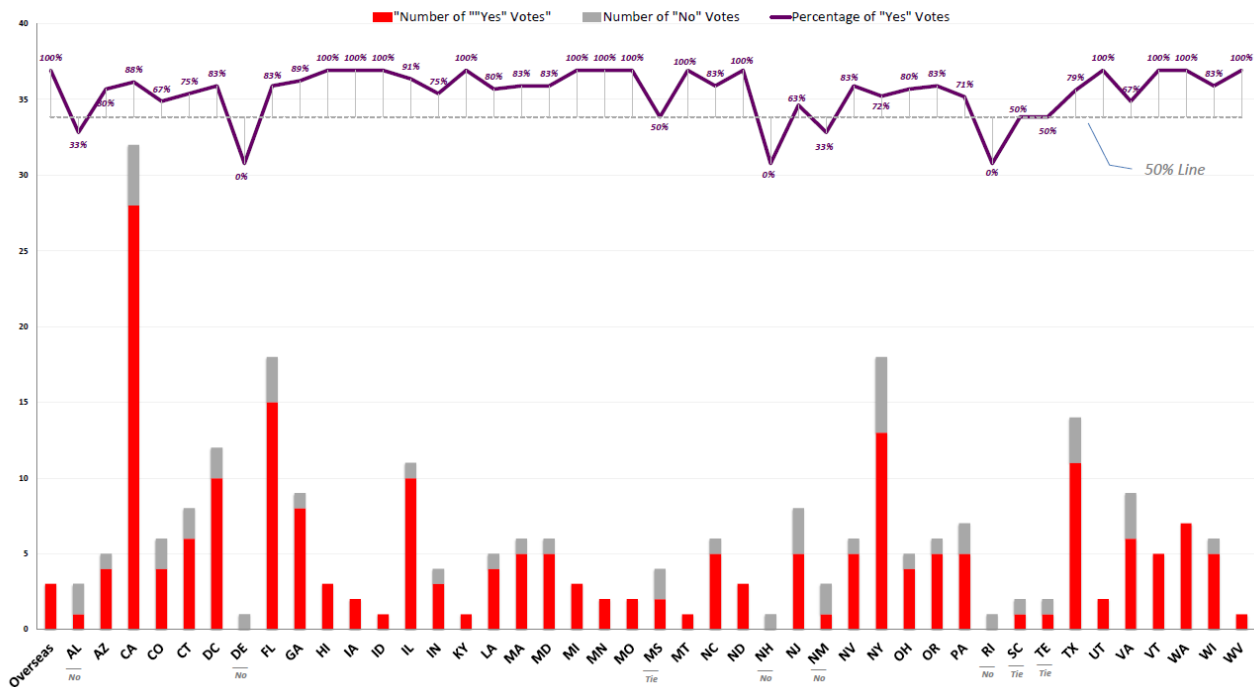
Given the broad interests included in IIUSA's membership, it is important that we report a breakdown of the vote on a state-by-state by Regional Center members only, as well as in aggregate for all members as reported below:

Polling Results by State Served - Regional Center Members



Note: Regional Center members include multi-RC operators.

Polling Results by State Served - All Members



The EB-5 Regional Center Program is due to "sunset" on December 11, 2015 - a mere 39 days from today. It is imperative that Congress quickly come to an agreement on long term reauthorization and reform of the EB-5 Regional Center Program that provides ample time for discussion on the other issues included in current draft of legislation. The Proposal detailed in this letter represents significant concessions from the EB-5 Regional Center industry that we are willing to accept in order to protect one of the most successful economic programs in modern history, with its best days ahead.

Please contact me with any questions and thank you for your leadership on ensuring the future success of the EB-5 Regional Center Program.

Sincerely,

A handwritten signature in black ink that reads "Peter D. Joseph". The signature is written in a cursive, flowing style.

Peter D. Joseph
Executive Director