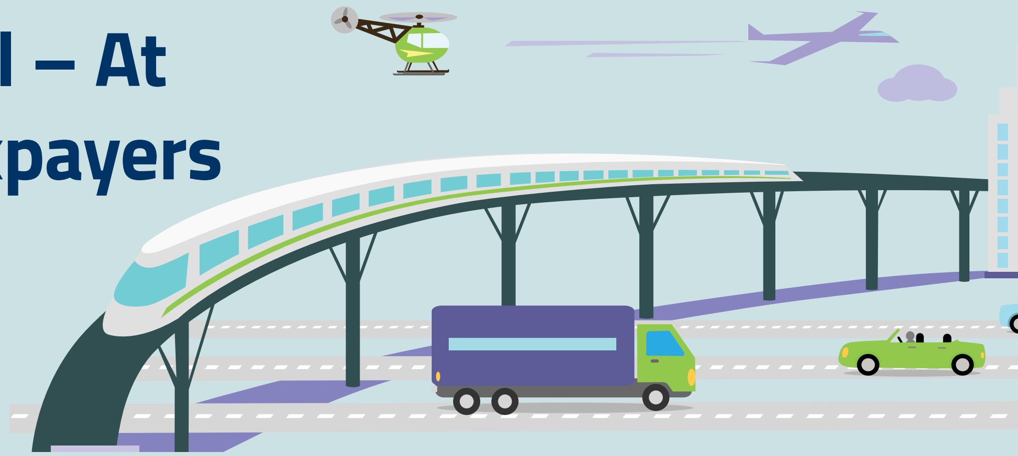
# How to Pay for Biden's Infrastructure Bill – At No Cost to US Taxpayers



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Debates around how to pay for President Biden's $1.2 trillion infrastructure plan will continue to heat up as Congress works through the legislative process – especially with experts saying that the proposed funding sources are "optimistic at best, and…at worst, smoke and mirrors."

The good news? There's a way to generate up to $2 trillion in revenue over the next decade through existing processes and infrastructures without raising taxes or hiking up deficits. To sweeten the deal, this plan would also create hundreds of thousands of jobs.

Here's how it works.

## Look to EB-5

The EB-5 Immigrant Investor Program is a federal visa program that allows immigrants and their families to secure US residency by investing $500K - $1M in a U.S. business that creates or preserves 10 full-time jobs. In the last ten years, EB-5 has proven itself to be one of the most prolific job creation programs ever developed by the US government – extrapolating results from a Department of Commerce Study, from 2012 to 2016, it powered 6.9% of all US job growth – at no cost to taxpayers.

Through successful public-private partnerships, EB-5 has helped rebuild the Hudson Yards, the Port of Baltimore, and hospitals, airports, bridges, schools, and fire stations around the country.

Though some critics point to instances of fraud and theft by project sponsors, EB-5 has an extensive regulatory framework that makes it much safer than most programs (or private projects): money from foreign parties goes through extensive anti-money laundering / know your customer examinations and Office of the Comptroller requirements, followed by inspections by the Department of Homeland Security (DHS) and the US Customs and Immigration Services (USCIS); later, when the capital is pooled together in funds, the Securities and Exchange Commission (SEC) and Financial Industry Regulatory Authority (FINRA) also have oversight.

Although the EB-5 Regional Center program recently expired (with possible reauthorization under consideration by Congress), retooling its processes, regulatory oversight, and compliance mechanisms represent a real opportunity to fund Biden's infrastructure plan.

## The Marshall Plan in reverse

Using EB-5 as a launching off point, we can model a new program that can pay for up to $2 trillion in infrastructure spending over the next decade. Here's what it would look like:

- A 10-year temporary infrastructure investment program supported by 50,000 (vs. the 10,000 now offered through EB-5) temporary annual visa allocations
- This would require a $1.5 million investment per immigrant in US infrastructure public-private partnerships: $1M would be directed toward the project and ultimately repaid to the investor; $500K would be directed to the US Treasury and not repaid to the investor
- At full subscription, individual foreign infrastructure investment would equal $50 billion

annually (with an incremental investment multiplier of 2-3X which was proven out in the EB-5 program, this would ultimately equal $150 - $200B annually)

The benefits of such a program go beyond revenue. Leveraging public-private partnerships means infrastructure projects are incentivized to move forward quickly and effectively. Nearly 1000 USCIS approved EB-5 regional centers already operate across the country and can be used to drive immigrant capital into this infrastructure activity. US corporations are already familiar with these centers and their associated projects. The EB-5 program's regulatory oversight and compliance mechanisms, as noted above, can be easily repurposed for this new program. And, at full capacity, this program would amount to 1.6 million new jobs a year.

Anecdotally, a program like this is popular with politicians on both sides of the aisle. But a reluctance to touch immigration policy – even if it creates US jobs and build US infrastructure – has kept it on the sidelines.

Now, as we emerge from the pandemic looking to rebuild our economy and the country's aging infrastructure, is the perfect time to bring this sort of program to life. If any concerns about immigrants funding our bridges and roads remain, we can draw on historical precedent.

After all, in 1948 the US instituted the Marshall Plan, offering foreign aid to rebuild war-torn Europe. Think of this new infrastructure investment visa as the Marshall Plan in reverse: we've made investments to help societies around the world – maybe it's time to let others invest in us.