

TESTIMONY OF
WILLIAM J. STENGER
President of Jay Peak Resort

Jay, Vermont

Hearing on:

“The Investor Visa Program: Key to Creating American Jobs”

Before the

Judiciary Subcommittee on Immigration Policy and Enforcement
Committee on the Judiciary

Congress of the United States House of Representatives
Committee on the Judiciary

Washington, D.C.

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Mr. Chairman and Distinguished Members of the Judiciary Committee,

My name is Bill Stenger and I am President and co-owner of Jay Peak Resort located in Jay, Vermont.

I am very appreciative of this opportunity to meet with you today and share with you my perspective on the significant value the EB-5 foreign investor, Regional Center Program represents to my employees, my community, and the State of Vermont and why I urge Congress to make this program permanent.

My company, Jay Peak Resort, was founded in 1955 as a winter ski resort. It is located in Orleans County three miles from the Canadian Border. George Aiken, one of Vermont's most revered U.S. Senators, called the northern region of Vermont the "Northeast Kingdom," because of its beauty and authentic hardworking people. Orleans County is in the heart of the "Kingdom."

Jay Peak is one of the most significant employers in Orleans County, a place of great rural agricultural character, with beautiful mountains, streams and lakes, but it also has the most significant poverty and economic challenge of any region in Vermont. Every challenging socio-economic indicator that we measure in Vermont is greatest in Orleans County. From unemployment, alcohol and drug abuse, school drop-out rate, single-parent childbirth, welfare, and foodstamp

dependency are all historically greater in Orleans County than any other place in Vermont.

However, despite these issues and the most profound economic challenges we have seen in generations in Vermont and the nation, I am very optimistic about the future of our community and its citizens. We are seeing at our facilities the significant creation of the biggest positive life changer a person needs, a job. A job that will sustain them and their families with benefits, and a future that inspires and rewards their economic and human spirit. We are seeing this employment creation at Jay Peak and our surrounding communities in this terribly troubled economy solely because of the EB-5 foreign investor program.

Over a decade ago in 1997, I had the opportunity to work with Sen. Patrick Leahy and the then Governor of Vermont Howard Dean to create the Vermont Regional Center and see Jay Peak become its first EB-5 Pilot Project. It was not until late 2004, because of improved C.I.S. efforts and the renewed commitment by our State officials led by Governor Jim Douglas, that the program became truly functional from our perspective in Vermont.

Starting in 2005 this EB-5 Pilot Project has helped our company create and present to qualified foreign investors an opportunity to invest in job creating initiatives at Jay Peak Resort that are employing many hundreds of direct and indirect citizens of our Northern Vermont communities.

In today's economy, what is strangling the small business community in Vermont and nationally, is the lack of access to capital. Affordable capital is almost non-existent in this marketplace. However, through the EB-5 Regional Center Pilot Program, Jay Peak has raised over \$200 million of equity capital by welcoming over 400 investors from 56 countries. This capital has helped us build year-round facilities that we desperately need in order to be competitive, but also helps us create full-time job opportunities for so many citizens throughout Northern Vermont's highest unemployment communities.

The EB-5 Program is a win-win-win program for all involved. Jay Peak is gaining access to equity capital to create facilities it needs and by doing so scores of quality year-round jobs are created in a rural, high unemployment area where our government wants to see job creation. In exchange for the job creating equity capital investment, the foreign investor benefits from a green card for themselves and immediate family members. I've met personally almost every investor participating in the Jay Peak Program and they are a group of wonderful people, so appreciative of the opportunity to live in, and contribute to, our society. I can tell you, that their equity investment is changing our region in a profound and positive way. Once in the United States, they have continued to contribute as everyone of them are well-educated, successful people, who have brought their family values and capital with them.

Without the EB-5 source of affordable equity capital, none of this significant economic growth would be taking place at my company.

Instead of a distressed Northern Vermont economy getting worse, we are seeing significant signs of economic vitality and optimism in our community. Orleans County no longer is the highest unemployment county in Vermont.

Although Jay Peak is employing many hundreds of direct and indirect year-round employees, Jay Peak is a small business in comparison to our national economy. As a matter of fact, with very few exceptions, all of Vermont is made up of small businesses. The EB-5 Regional Center Program is ideal for the small business community.

Two years ago on an EB-5 Trade Mission to So. Korea we visited with AnC Bio/Korea, a cutting edge biotech research and development company who was looking for a place in the U.S. to create a U.S. affiliate. In those two years AnC Bio/Vermont was created and tomorrow a 90,000 square foot facility will be acquired as the new U.S. headquarters of AnC Bio/ Vermont U.S.A. where over 200 quality research and manufacturing jobs will result. EB-5 capital has made this partnership possible.

Alex Choi, Chairman of the AnC Bio/Korea could have placed this facility anywhere but chose Vermont because of the quality work force and facilities made possible via the EB-5 Program.

There are many other small business entrepreneurial people in Vermont and throughout the country that have great job creating ideas and the drive and desire to make those ideas become reality, but they simply

lack capital to make it happen. EB-5 equity allows small businesses and entrepreneurs to be creative and do what they do best, innovate and stimulate the economy.

I'd like to close by mentioning a few things that can make the EB-5 Program better for all concerned.

- Congress should make this program permanent so Regional Centers can concentrate on quality, long-term job creating programs. Short term extensions cripple the effectiveness because the projects can't plan correctly and potential investors won't have confidence to stick with a program because of its uncertainty.
- U.S.C.I.S. should make every effort to be as efficient as possible with EB-5 case processing so that predictability can become a program asset and not a program concern.
- Allow premium processing for EB-5 cases desiring it.
- Provide Regional Center projects Business Plan Review and pre-approval before an I-526 submission takes place. Once an agreed upon business plan is approved don't require it be revisited unless there is a substantial change.

The current leadership at U.S.C.I.S. administering the EB-5 Program is interested and supportive of the EB-5 investor programs and see its economic benefit to the nation. Making this program permanent

however, will send a clear message to all involved to embrace making the EB-5 Program even more impactful for all Regional Centers around the country so that the fullest positive economic benefits can be realized.

Mr. Chairman and Distinguished Committee Members, this country needs all the equity investment it can get right now. The EB-5 Program is a wonderful example of an economic stimulus that is tax free, is not a burden to anyone and has nothing but good benefits for all involved.

Thank you for giving me the opportunity to speak with you today.

Sincerely,

William J. Stenger
President & CEO
Jay Peak Resort