

Testimony of  
**William Stenger**

July 22, 2009

TESTIMONY OF

WILLIAM J. STENGER

President of Jay Peak Resort

Jay, Vermont

Hearing on:

Promoting Job Creation & Foreign Investment in the United States:

An Assessment of the EB-5 Regional Center Program

Before the

Committee on the Judiciary

U.S. Senate

Washington, D.C.

July 22, 2009

Mr. Chairman and Distinguished Members of the Judiciary Committee,

My name is Bill Stenger and I am President and 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.

My company, Jay Peak Resort, was founded in 1955 as a winter ski resort. It is located three miles from the Canadian Border. Mr. Chairman, as you know, we reside in what I think is one of Vermont's most beautiful regions, a place former U.S. Senator George Aiken called the Northeast Kingdom. 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, and it also has the most significant poverty and economic challenge of any region in Vermont. Every challenging socio-economic indicator that we measure as a society is greatest in Orleans County. Unemployment, alcohol and drug abuse, school drop-out rate, single-parent childbirth, welfare, foodstamp usage, spousal abuse, Medicare and Medicaid subscription, and treatment for depression are all 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 you, Mr. Chairman, and 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 renewed commitment by our State officials led by Governor Jim Douglas, that the program became truly functional from our perspective.

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, and will, employ 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, at Jay Peak we are well on our way to raising over \$100 million of equity capital. This capital will help 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 will continue to contribute as everyone of them are well-educated, successful people, who will be a credit to any community they live in.

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.

Although Jay Peak is in the process of 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.

As I've traveled meeting investors and exploring job creating opportunities for Vermont beyond my own company, I've concluded this program can really help other small businesses in Vermont. I met Alex Choi, President of Bio Heart Korea in Seoul, Korea on an EB-5 trip for Jay Peak in 2006 and in doing so learned about his company, a successful medical research and development enterprise. Over the past two years we have remained in touch and today we are working together on creating a new U.S. Bio-Tech research, development and manufacturing facility and placing the facility in Orleans County, Vermont. Several hundred high paying research jobs will result and the EB-5 Program will be the capital inspiration for this effort.

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 entrepreneurs to be creative and do what they do best, innovate and stimulate the economy.

Mr. Chairman, Stephen Yale-Loehr has made some important suggestions as to how to improve the EB-5 Program and I would like to re-emphasize just a few.

? 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 predictably 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.

? Recently U.S.C.I.S. put forth job creation guidelines where certain criteria were to be met within 24 months of the project start. In Vermont with permit challenges and construction weather realities, a 24-month job creation implementation is a near impossibility. Such requirements should be evaluated on a case by case basis where climate and other restrictions can be of impact.

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.

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