



AMERICANS for TAX REFORM

April 10, 2017

To: Secretary John Kelly

From: Americans for Tax Reform

Re: Oppose EB-5 Midnight Rule

Dear Secretary Kelly,

I am writing to you today to ask for the reconsideration of Obama's EB-5 "midnight rule" that would compromise the integrity of the program. The EB-5 visa program has been an important source of investment for the American economy. Changes to the program should be handled in the legislative branch, where democratically elected representatives can best represent their constituent's priorities.

The EB-5 regulation proposed by the Department of Homeland Security's U.S. Citizenship and Immigration Services (USCIS) on January 13 (see 82 Federal Register 4738) should be pulled from consideration like the rest of the previous administration's 11th hour rules.

The regulation aims to increase the financial burdens of obtaining the visas, putting the entire program at risk. The new rule would increase the lower visa cost from \$500,000 to \$1.35 million and the high end from \$1 million to 1.8 million. Simply put, this will discourage investment in American job markets that need it most. Investors will have the option of going to Australia, or Canada—high income countries with lower visa monetary requirements.

The Commerce Department has recently conducted a study of the job-creating impact of the investor visa program. In just one year **11,000 immigrant investors provided \$5.8 billion in capital for FY2012 and FY2013 to support an estimated 174,039 thousand jobs in the United States.** Much of it in construction and infrastructure. USCIS has been unable to determine the possible impact of the new rules. DHS should not put 174,000 American jobs at risk for an Obama administration holdover.

Instead, DHS should wait for the legislative branch to act. Such a sudden change to the program would send the wrong message to companies and investors, possibly chilling investment in American jobs and the economy.

Congress should also work to reauthorize the EB-5 regional centers program before its expiration this month. Given the consistent backlog on visa requests, and the global demand from investors for these visas, Congress and DHS should be looking at ways to safely expand the program, not shrink it. The influx of capital could help spur the private market towards infrastructure investment.

I encourage you to take a close look at this program and its well-documented benefits for the economy and rescind this Obama regulation. **To remain competitive, America needs to welcome investments that employ more workers and improve infrastructure.**

Regards,

Grover G. Norquist
President
Americans for Tax Reform

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