

EXHIBIT 3

DECLARATION OF JEFFREY B. CARR
PURSUANT TO 28 U.S.C. § 1746

I, Jeffrey B. Carr, of legal age, resident of Vermont, declare, under penalty of perjury and based on personal knowledge, as follows:

1. I am the President of Economic & Policy Resources, Inc. (“**EPR**”) established under the laws of the State of Vermont in or around 1984.

2. I have conducted studies regarding the economic impacts that EB-5 Immigrant Investor Program (“**EB-5**” or the “**Program**”) has on the U.S. economy. My findings have shown that the EB-5 Program has facilitated U.S. economic growth.

3. Specifically, I conducted an impact assessment of the Program in federal fiscal year 2014 and federal fiscal year 2015 for projects using EB-5 regional centers. The executive summary of this report is attached hereto as **Exhibit A**.

4. I selected these years because it was thought to be a reasonable, unrestrained level of capital investment activity for projects utilizing the regional center portion of the program. Through investments totaling close to \$11 billion in the U.S. economy over the two year period through federal fiscal year 2015, this impact assessment analysis showed that regional centers participating in the Program created more than 355,000 jobs nationally, accounting for roughly 6 percent of all net U.S. job gains over the two-year period. Regional center project investment activity for those two years also resulted in nearly \$55 billion – or 3 percent – added to the U.S. economic output and more than \$23 billion in labor income to the U.S. economy in all four U.S. Census regions.

5. Among the U.S. sectors that benefited from this investment activity under the Program were construction, manufacturing, professional services, and the retail sector. We found that state and local government also benefited from the project investment activities.

6. These estimated effects were in our view conservative in terms of the program's effect on the U.S. economy. Our study did not estimate the effects of projects' operations and the effects of the economic activities of EB-5 investor households who establish residency in the U.S., which undoubtedly would have a positive net effect on the economy. As such, our findings significantly understated the positive effects of the Program.

Executed on November 26, 2019



Jeffrey B. Carr
President
Economics & Policy Resources, Inc.

EXHIBIT A

EXECUTIVE SUMMARY

ASSESSMENT OF THE ECONOMIC VALUE AND JOB CREATION IMPACTS OF EB-5 PROJECT CAPITAL INVESTMENT ACTIVITY UNDER THE EB-5 REGIONAL CENTER PROGRAM

*(U.S. Totals; Impacts on four Regions of the U.S.
Census Bureau)*

February 15, 2019

Jointly Sponsored by the EB5 Investor Coalition and Invest in the USA

Prepared By:



Laura Reiff Esq.,
Greenberg Traurig, LLC
EB5 Investor Coalition
www.eb5coalition.org



Aaron Grau
Executive Director
Invest in the USA
www.iiusa.org



Jeffrey B. Carr, President
Robert A. Chase, Senior Economist
Economic & Policy Resources, Inc.
www.epreconomics.com

Executive Summary

The U.S. Congress created the EB-5 Regional Center Program in 1992 with the goal of encouraging new U.S. economic growth and job creation through increased capital investment. Recently, the EB-5 regional center program has been contending with a period of program instability, including a series of temporary, short-term re-authorizations, in contrast to a long period dating back to 1992 when the program enjoyed a period of relative stability including multiple three year Congressional authorizations/re-authorizations.

Over the years, various EB-5 stakeholders groups (including the Invest in the USA¹ industry association group) and at least two departments of the federal government (including the Department of Homeland Security and the U.S. Department of Commerce) have published estimates of the economic benefits or value² (including job creation impacts) of the EB-5 Program's economic contributions to the U.S. economy. These past analyses used a variety of direct and indirect methods to estimate the economic contribution/impacts of the EB-5 regional center program. While all of these studies made significant contributions in helping to describe the regional center program's value to the U.S. economy in general,³ all had significant limitations of one kind or another in the way they were completed.

The limitations almost always resulted in a significant under-counting (in the case of job creation impacts) or under-valuing (with respect to the contributions to output and labor income) of the true economic contributions of the EB-5 regional center program's economic activities to the U.S. economy. This study was conducted to address those limitations. We present estimates that are more comprehensive and geographically robust in order to eliminate those under-counting biases with the objective of presenting a truer picture of the economic value of the regional center program's most important capital investment activity component.⁴

Using a comprehensive EB-5 regional center project activity data set supplied by IIUSA as obtained from the USCIS through a "Freedom of Information Request" to obtain annual, required Form I-924A filings by regional centers to the USCIS, we developed a method to estimate the economic benefits and job creation contributions of all EB-5 regional center projects that were active in federal fiscal years 2014 and 2015. We developed this economic contribution estimate using the four economic regions as delineated by the U.S. Bureau of the Census using the CGGE-based⁵ REDYN input-output tool in order to fully-recognize the geographical differences between regional economies (versus using national average impact multipliers or coefficients) and producing an integrated, robust national estimate of economic and job creation contributions of the regional center program. As such, this study represents a more geographically robust and therefore complete estimate of the economic contributions and job creation impacts associated with

¹ Known in the EB-5 industry as "IIUSA."

² This study uses the term "economic value" according to the definition employed in the U.S. Department of Commerce's recent review of the EB-5 Program; See: *Estimating the Investment and Job Creation Impact of the EB-5 Program*; U.S. Department of Commerce Economics and Statistics Administration-Office of the Chief Economist; 27 pp.; January 2017.

³ Resulting in reasonable "ballpark" estimates of economic and job creation contribution of the program's economic activities to the U.S. economy.

⁴ Which coincidentally is also the most robust economic activity data set of the three principal economic activities of the regional center program (versus the project operations economic activity category and the economic activities of EB-5 investor households).

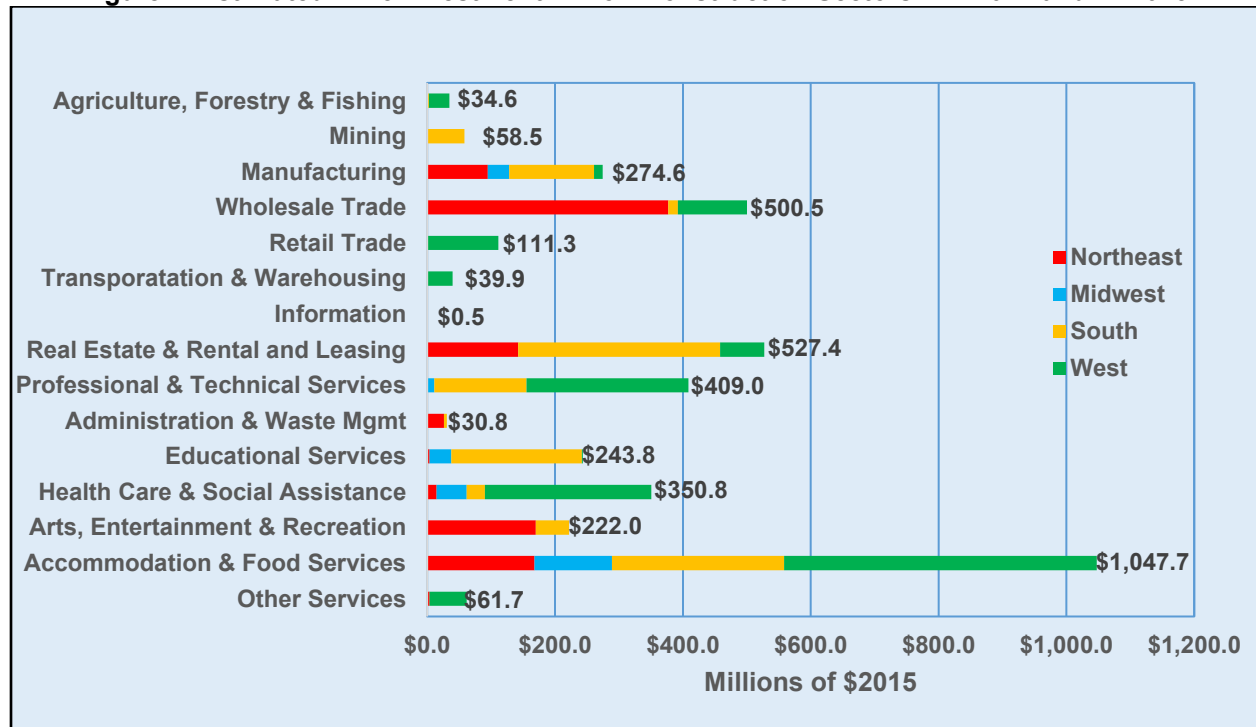
⁵ CGGE means Computable Geographic General Equilibrium Model. For a detailed description of CGGE models and the REDYN input-output tool, please see Appendix 1.

the EB-5 regional center program’s capital investment activities for the federal fiscal year 2014 and 2015 period.

National Impacts

- The study found that using IIUSA regional center project data, a total of \$10.98 billion⁶ in EB-5 Project capital investment was made through the regional center program during federal fiscal years FY2014 and FY2015. That total represented approximately 2 percent of all foreign direct investment (FDI) net flows to U.S. economy over the two-year period.
- A total of \$7.07 billion, or nearly two-thirds, of the projects’ capital investment made through regional centers during FY2014 and FY2015 was in the construction sector. Among the other sectors with significant EB-5 regional center project capital investment activity over the two federal fiscal year period were: Hotels and Motels (at an estimated \$1.05 billion), Real Estate (at an estimated \$0.53 billion), Wholesale Trade (at an estimated \$0.5 billion), Architecture, Engineering and Related Services (at an estimated \$0.41 billion), and health care (at an estimated \$0.35 billion).

Figure 1. Estimated EB-5 Investment in Non-Construction Sectors—FY2014 and FY2015

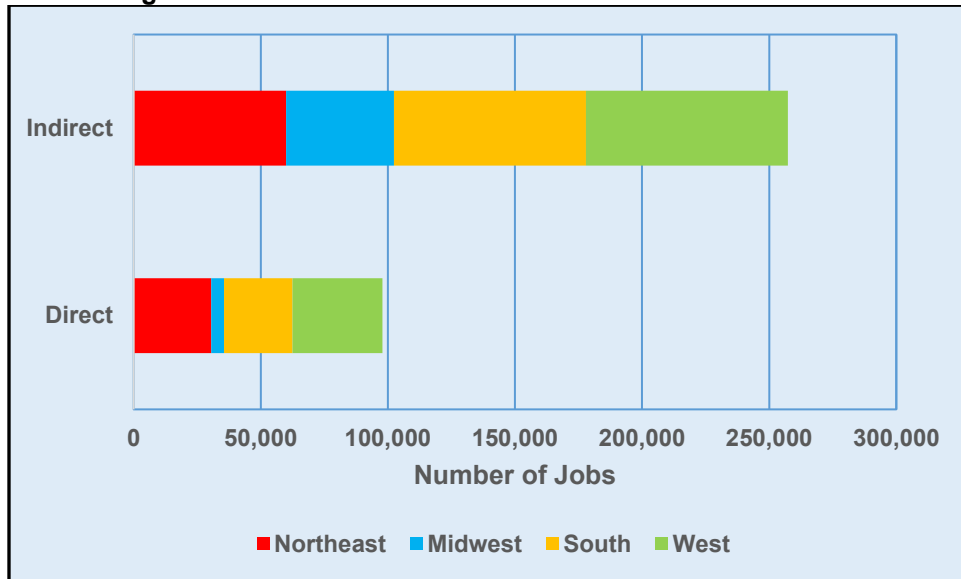


- The study found that this level of capital investment by projects in the regional center program, during FY2014 and FY2015 supported more than 355,200 total jobs for U.S. workers, with those new U.S. job opportunities accounting for roughly 6 percent of the all private sector job growth in U.S. over the two-year period; **underscoring that the EB-5 Program is a national jobs**

⁶ All monetary values in this report are in constant 2015 dollars.

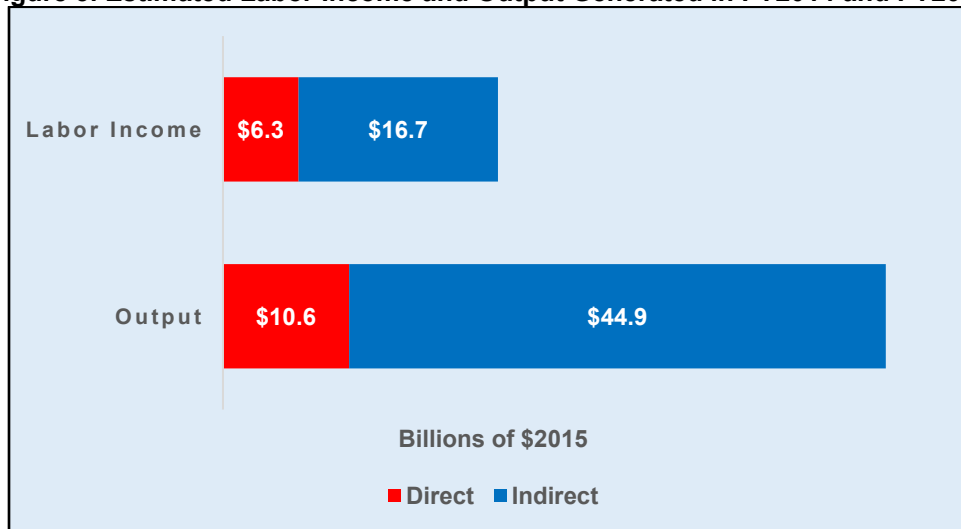
development program. Jobs were gained in all of the broad industry sectors⁷ across each of the regions during FY2014 and FY2015. Even governments—Federal, State & Local—benefited from EB-5 capital investment in projects, supporting about 4 percent of all public sector job growth during the two-year period.

Figure 2. Estimated Jobs Generated in FY2014 and FY2015



- Overall spending associated with EB-5 Regional Center investors in FY2014 and FY2015 is estimated to have contributed nearly \$55 billion (or about 3 percent) to U.S. output and more than \$23 billion in labor income for the U.S. economy.

Figure 3. Estimated Labor Income and Output Generated in FY2014 and FY2015

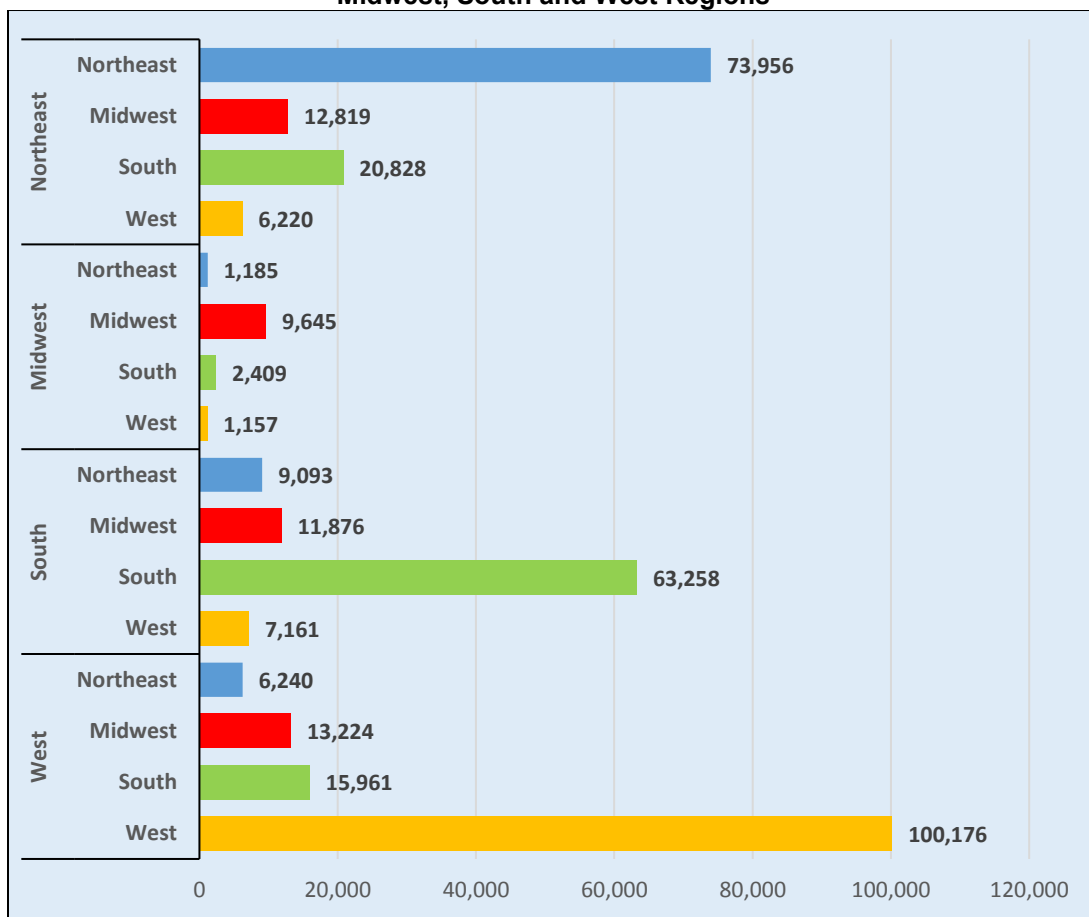


⁷ All economic activity are grouped into various categories according to the North American Industrial Classification System (NAICS). Broad industry sectors for instance are also termed 2-digit NAICS sectors, such as construction (NAICS 23); manufacturing (NAICS 31-33); and professional, scientific and technical services (NAICS 54).

Regional Impacts--Four Subnational Census Regions

- Among the four subnational Census regions, the estimated EB-5 regional center program capital investment in regional center projects during FY2014 and FY2015 were as follows: Northeast Region (\$3.82 billion), Midwest Region (\$0.38 billion), South region (\$2.61 billion), and West Region (\$4.17 billion). The West Region accounted for a total of approximately 38 percent of total estimated EB-5 capital investment activity over the two-year period.
- Given the distribution of the EB-5 regional center projects’ capital investment activity that was made during FY 2014 and FY2015, the estimated number of new job opportunities created by the EB-5 regional center program’s capital investment activity was an estimated 114,700 jobs in the West Region, followed by an estimated 102,500 new jobs in the South Region, an estimated 90,500 new jobs in the Northeast Region, and an estimated 47,600 new jobs in the Midwest Region. The West Region alone accounted for nearly one-third of the total U.S. job creation due to the regional center projects’ capital investment activities.

Figure 4. Job Creation by Region from EB-5 Projects Located in the Northeast, Midwest, South and West Regions



- Each region benefited from Regional Center project capital investment activity, irrespective of where the initial capital investment occurs. Given the national scope of supply-chains and national markets for consumer spending, the indirect effects are often greater than the initial stimuli of capital investment. For example, the Midwest Region had the fewest number of Regional Center projects (24) and the lowest EB-5 capital investment (\$380 million) during FY2014 and FY2015; yet companies and organizations throughout the Midwest benefited from projects situated in the other three subnational Census Regions. Nearly nine out of every ten indirect jobs created in the Midwest Region were due to spending from projects located elsewhere in the Northwest, South and/or West Regions.
- Businesses and organizations across all U.S. industry sectors participated as a result of EB-5 capital investments. From construction contractors and manufacturers to utilities, professional services, retailers, and even governments benefit with increased sales revenues, added hires with increased payrolls.
- For program-induced output gains associated with the estimated project capital investment under the regional center program during FY 2014 and FY2015, this study found that the estimated increase in the value of economic output associated with EB-5 regional center program capital investment spending was in the West Region (at an estimated \$18.32 billion), followed by the South Region (at an estimated \$14.92 billion), the Northeast Region (at an estimated \$14.45 billion), and the Midwest Region (at an estimated \$7.79 billion). As with the contribution to U.S. job creation, the West Region's contribution to increased output represented 3.4 percent of the total U.S. output increase during the two year period associated with the regional center projects' capital investment activities.
- For the program-induced labor income gains associated with the estimated project capital investment under the regional center program during FY2014 and FY2015, this study found that the estimated increase in labor income an estimated \$7.64 billion in the West Region, an estimated \$6.55 billion in the Northeast Region, an estimated \$5.99 billion the South Region, and an estimated \$2.85 billion in the Midwest Region. As with the contribution to U.S. job creation and output, the West Region's contribution to labor income represented 1.8 percent of the total U.S. labor income increase during the two year period associated with the regional center projects' capital investment activities.
- As noted above, this economic benefits and job creation contribution study for the EB-5 regional center program included only one of the three principal areas of economic activity under the program—corresponding to EB-5 project capital investment activities. As a result, these effects represent a conservative estimate of the regional center program's economic benefits and job creation contribution to the U.S. economy overall. The two excluded areas—the effects of projects' operations and the economic activities of EB-5 investor households who establish residency in the U.S.—remain a work-in-progress as we work to develop reliable data for impact estimating purposes. Just because the economic contributions of these two program activity areas were hard to quantify does not mean the economic benefits and job creation effects associated with these two excluded activity areas had on the U.S. economy were not significant. **As such, the estimates of the economic benefits and job creation effects presented in this study were significantly understated in comparison to the actual economic benefits and job creation contributions of all three economic activity areas associated with the regional center program if they were to be included.**

- Economic contributions and job creation effects of this scale represent a call to the EB-5 industry and legislative policymakers for action—to make the compromises necessary to reach consensus on the type of credible and workable EB-5 reforms that would be an important first step to solving the program’s visa numbers shortage that is currently limiting EB-5 regional center program activity.
- Without action to unleash an unconstrained EB-5 program’s impacts on U.S. job creation and U.S. capital investment, the economic contributions quantified in this study will merely represent “lost opportunity” for the U.S. economy—with literally, tens of billions of future foreign investment dollars and hundreds of thousands of new U.S. job opportunities over the coming years hanging in the balance.

