

REGIONAL CENTER AS A LASTING ADDITION TO THE REGIONAL ECONOMIC INFRASTRUCTURE

By Joseph P. Whalen (September 8, 2012)

I am still amazed at the lack of general understanding of the fundamental purpose of an EB-5 Regional Center amongst far too many who seek that designation. The concept upon which I will blather and expound in this essay goes well beyond the lack of understanding of the Regional Center's role, responsibilities, and obligations towards its alien and domestic investors. I will try to put forth my personal understanding of the Congressional intent for the "Pilot Program" and intended purpose of the Regional Center beyond their most obvious function as a facilitator and/or coordinator and service provider for would-be EB-5 immigrants.

It appears to me that Congress intended the Regional Center to be a long-term addition to the regional economy. The Regional Center, I believe, was meant to be a new player in the *regional economic infrastructure*. The failure of all but a very few Regional Centers to even approach that level of longevity and importance overall may be a key reason why this "Program" has remained a "Pilot" for so long. As far as I can tell, Senator Leahy is such a staunch supporter because he represents the State with the most visibly successful Regional Center. The Vermont Regional Center [full awkward name: **Vermont Agency of Commerce and Community Development or VACCD Regional Center**] is supported and overseen by a component of the state government and has one of the better records.

Other Regional Centers also have state and/or local government support and/or involvement but I don't see or hear their Congressional Representatives making such loud cheers as Sen. Leahy. I wish some would step up to the plate and be more visible in their support. While it is true that some have little to cheer about, *at least not yet*, others do but have not come onboard. They must have their reasons, but I won't even try to guess what those reasons might be. Regardless of visible cheerleading or the lack thereof, perhaps if today's members of Congress were to revisit, review, and study the *original goals and objectives* of the "Pilot Program" then maybe they could help nurture the true purpose and shout down the xenophobic nutcases that don't understand the Pilot Program's true purpose.

What then is meant by the term "regional economic infrastructure"? Well, that depends on one's point of view and analytic approach. One such approach is known as "**Economic Geography**"¹ which is the study of the location, distribution and spatial organization of economic activities across the world. Sounds rather

¹ See http://en.wikipedia.org/wiki/Economic_geography

“heady”, “lofty”, and “esoteric”, doesn’t it? Well, it is to a degree. That, however, is not a reason to shun it. It is worthy of study and exploration.

An online essay entitled: “ **Towards a Working Definition of Economic Geography**” found at: <http://faculty.washington.edu/krumme/207/concepts/ebg.html> may help you understand the concept better. That short essay attempts to unite the definitions of “Economics” and “Geography” into a useful and meaningful definition of a “growing” field of study. I did not say a “new” field of study because it has been recognized as a valid subject for study at least since the 1920s.

However, in our rapidly “shrinking world” of instant communication and extremely rapid worldwide travel, this concept is seeing increased awareness, use, and validity. I urge you to click on the links provided herein and explore it further, but will give you these excerpts to get you started:

"In Economic Geography, we study the (locational, organizational and behavioral) principles and processes associated with the spatial allocation of scarce (human, man-made and natural) resources (which are also distributed spatially) and the spatial patterns and (direct and indirect, social, environmental and economic) consequences resulting from such allocations."

"Economic geographers study the principles governing the spatial allocation of resources and the resulting consequences".

The **other concept** that needs further study and exploration is “**infrastructure**”. The “free online dictionary²” provides a most useful definition and discussion of the evolution of this word and the concepts behind its origin and expansion. I did not have to search very far and wide to find the answer to my question and I hope that this also helps the readers of this essay get a better focus on this very important concept as applicable to the EB-5 Regional Center. I leave you with this “cut and pasted” excerpt (with my highlighting added) from the “free online dictionary” which contains a part that specifically addresses “Economics”!

in·fra·struc·ture (ĭn ˈfrə-strŭk ˈchər)

n.

1. An underlying base or foundation especially for an organization or system.
2. The basic facilities, services, and installations needed for the functioning of a community or society, such as transportation and communications systems, water and power lines, and public institutions including schools, post offices, and prisons.

² <http://www.thefreedictionary.com/infrastructure>

in 'fra-struc 'tur-al *adj.*

Usage Note: The term *infrastructure* has been used since 1927 to refer collectively to the roads, bridges, rail lines, and similar public works that are required for an industrial economy, or a portion of it, to function. The term also has had specific [application](#) to the permanent military installations necessary for the defense of a country. **Perhaps because of the word's technical sound, people now use *infrastructure* to refer to any substructure or underlying system.** Big corporations are said to have their own **financial infrastructure of smaller businesses**, for example, and political organizations to have their infrastructure of groups, committees, and admirers. The latter sense may have originated during the Vietnam War in the use of the word by military intelligence officers, whose task it was to delineate the structure of the enemy's shadowy organizations. Today we may hear that conservatism has an infrastructure of think tanks and research foundations or that terrorist organizations have an infrastructure of people sympathetic to their cause. The Usage Panel finds this extended use referring to people to be problematic, however. Seventy percent of the Panelists find it unacceptable in the sentence *FBI agents fanned out to monitor a small infrastructure of persons involved with established terrorist organizations.*

The American Heritage® Dictionary of the English Language, Fourth Edition copyright ©2000 by Houghton Mifflin Company. Updated in 2009. Published by [Houghton Mifflin Company](#). All rights reserved.

infrastructure ['ɪnfəˌstrʌktʃə]

n

1. the basic structure of an organization, system, etc.
2. **(Economics)** the stock of fixed **capital** equipment in a country, including factories, roads, schools, etc., **considered as a determinant of economic growth**

[Collins English Dictionary – Complete and Unabridged](#) © HarperCollins Publishers 1991, 1994, 1998, 2000, 2003

All building and permanent installations necessary for the support, redeployment, and military forces operations (e.g. barracks, headquarters, airfields, communications, facilities, stores, port installations, and maintenance stations). See also bilateral infrastructure; common infrastructure; national infrastructure.

Dictionary of Military and Associated Terms. US Department of Defense 2005.

An **EB-5 Regional Center** should strive to be an integral part of the *substructure* or *underlying system* or, in other words, *a key component of the financial infrastructure of businesses*, viewed as part of the *stock of fixed capital*, including equipment and facilities, considered as *determinant of economic growth* within the regional economy they serve.

That's my two-cents, for now.

e-mail: joseph.whalen774@gmail.com