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Green Cards for Green Cars

By [CHRISTOPHER JENSEN](#)

Some entrepreneurs are counting on a lot of support from China for making hybrids in the United States. Why? Because supporting green technology can mean a green card for an entire family.

Under a federal program, people who invest at least \$500,000 in a business that helps create jobs in a rural or high-unemployment area can move, along with their immediate family, to the United States. If the business works out, they can get green cards and permanent residency. [The Washington Post reported](#) last month that State Department numbers show that 4,218 visas were issued under the program in the 2009 fiscal year ended Sept. 30, up from 1,443 in fiscal 2008.

Known as [EB-5 visas](#), the program is part of the [Immigration Act of 1990](#), an effort by Congress to encourage investment in the United States and provide more jobs.

Court documents show that a car company, the Hybrid Kinetic Automotive Corporation, planned to heavily rely on such money for its plan to build hybrids in the South, even before it had the technology lined up to develop “affordable” hybrids. As Hybrid Kinetic said in a November 2008 court document, “This option provides the investor with the worthy business opportunities he or she is looking for, as well as the benefits of a handsome return and a bonus of permanent residency.”

The company’s plan was to build vehicles in Mississippi, working with a German consulting firm to develop the hybrid technology. But Charles Wang and [Benjamin Yeung](#), two company executives, got in a squabble late in 2008 over control of the company, leading to a suit filed in Mississippi early in 2009. (Mr. Yeung helped found Brilliance China Automotive. Read about some of his difficulties with Chinese authorities in [this 2009 post](#) from our colleagues at DealBook.)

The suit was resolved out of court later that year, but resulted in what amounts to dueling companies. Mr. Yeung has [Hybrid Kinetic Motors](#) in Alabama. Mr. Wang’s company in Mississippi is now called GreenTech Automotive.

[Charles Huang](#), vice chairman of Hybrid Kinetic Motors, said in a telephone interview on Wednesday that the automaker would start building vehicles in Alabama in 2013 and would produce 300,000 a year, employing 5,000 people. By 2018, production should

reach one million a year, which seems to be an ambitious goal. Last year, Honda and its Acura division sold 1.1 million vehicles in the United States.

Mr. Huang said the project initially would cost about \$1.5 billion and “the principle source of funding” would be the EB-5 visas. That would be the equivalent to about 3,000 visas over four years, he said. Investors are already lined up, waiting for the process to begin, which will happen as soon as the proper documents are available, he said.

The [Hybrid Kinetic Web site](#) says that to provide funding for “the green car dream,” the company “has created a unique immigrant investor project that allows qualified investors and their families to immigrate to the U.S. while earning a return on their investment.”

A crucial part of the EB-5 visa program is what’s called a regional center. Regional centers were established by Congress as part of an effort to encourage the use of the EB-5 program. It allows government-approved, regional centers, which are sort of like clearinghouses, to pool investments for large projects. It also allows the use of “reasonable methodologies” to show each \$500,000 investment created “10 or more direct or indirect jobs.” Although the regional centers are approved by the government, they are often privately run.

The center handling EB-5 applications for Hybrid Kinetic Motors is the [Alabama Center for Foreign Investment](#) in Montgomery. Court records show that in 2009, 80 percent of control of the center was bought by the Far East Golden Resources Group Limited. The chairman at the time was Mr. Yeung, who is also the chairman of Hybrid Kinetic Motors.

Mr. Huang said that following an expansion of its geographic coverage, the center is changing its name to the American Center for Foreign Investment.

There are some skeptics about the plan. In a column in the trade publication Automotive News, Charles Child, the news editor, recently called the Alabama proposal a “pie in the sky” project and described it as “a visa factory.”

Mr. Huang said H.K. had no hard feelings about the column because Mr. Child must not fully understand the company’s plan and capabilities, and how using the visa program would help Americans.

In an e-mail message, Mr. Child, a veteran of covering the auto industry, said he stood by the column, but added: “I hope I’m wrong. I hope H.K. designs good cars that support a thriving plant in Alabama.”

And, Mr. Huang said it was important to remember that the United States “is populated by immigrants and their descendants. Given current economic recession and auto industry slump, it is high time to make best use of immigrants’ capital to create jobs for American people and revitalize U.S. auto industry and help it regain global leadership in green vehicles.