

**SIX
QUESTIONS**

Ted Zangari on What's New with BEIP



Ted Zangari, a partner in the Newark law firm of Sills Cummis Epstein & Gross P.C., co-chaired the BEIP Study Commission, which overhauled the state's Business Employment Incentive Program (BEIP) last year. It recommended making the eligibility requirements more flexible and open to smaller companies. Recently he has been working with top state officials on ways to close loopholes in the program that have drawn criticism. He spoke with **NJBIZ** Senior Writer Bill Quinn.

NJBIZ: How has the BEIP program been operating overall since the changes your group recommended last year?

Zangari: Obviously, it needs some tweaking. Recommendations out there, soon to be adopted, will be a step in the right direction. There have been abuses of companies taking advantage of the program and then turning around and outsourcing jobs.

NJBIZ: What other changes would you like to see made in the BEIP program?

Zangari: The BEIP Study Commission really ought to be formalized. One change that hasn't been looked at yet but probably ought to be is what the state can do in the way of a clawback when after taking a grant, a company files a bankruptcy petition.

NJBIZ: How do you think New Jersey's package of economic incentives compares to those being offered by other states?

Zangari: I think we're pretty competitive with our neighboring states. We're competitive with what we offer. We're competitive with our pro-activity. State Treasurer John McCormac and EDA CEO Caren Franzini are picking up the phone and reaching out proactively when they hear a company is ready to move. That's something Pennsylvania Governor Ed Rendell has been doing for years.

NJBIZ: Why does New Jersey need to offer incentives to attract companies or keep them here?

Zangari: With the advent of overnight delivery systems, instant communications by way of e-mail, virtual offices and people working from home, the entire world is on the menu. There are no boundaries; there are no limits. What we have going for us is still one of the brightest talent pools, some of the best universities, an incredible transportation system and the arts that attract an intellectual base.

NJBIZ: What do you think the state needs to do to keep its competitive edge?

Zangari: We need more business incubators. Governor McGreevey's initiative to link up our state's universities needs to be put on a fast, accelerated track. We don't have a decade to get this right.

NJBIZ: Does that mean you would like to see the proposal to merge and restructure the state's universities revived?

Zangari: Even if it's on an informal basis, I think the state's universities have to work more closely with Princeton, just like the University of California works closely with Stanford. It's all for one and one for all. •

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