Business Divided
As Debate Opens
On Immigration

Bill Pleases Employers
Of Unskilled Laborers,
But High-Tech Objects

As the Senate begins debate on a landmark immigration bill meant to
address the future need for workers in the U.S., a divide over the measure among
the nation's employers could undermine its chances of becoming law.

From the moment the White House and key lawmakers struck a tentative
deal on immigration last week, it was clear that not all employers were on
board. The deal, the most significant potential change in immigration law
since an amnesty program for illegal immigrants in 1986, was designed to
provide for the labor needs of industries ranging from high technology to
agriculture, as well as to resolve the status of the estimated 12 million people
now living in the U.S. illegally. (See related article on page A6.)

Employers like farmers, restaurateurs and construction contractors
who rely heavily on unskilled workers generally support the deal, but high-
technology industries that need skilled workers complain that it doesn't give them
the flexibility to recruit workers with

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the specific mix of skills they need.

For employers of the unskilled, the
tentative deal offers a welcome path
to legitimacy for their work forces,
which typically include a high propor-
tion of illegal immigrants. Under the
deal, illegal residents who can prove
they entered the U.S. before Jan. 1
would get a temporary-resident per-
mit. The plan would essentially erase
their illegal status and let them work
while awaiting a so-called Z visa that
would entitled them to live legally in
the U.S. The bill also eventually would
allow 400,000 temporary workers to
come to the U.S. on a "Y visa" each
year to fill mainly low-skilled jobs.

"Overall, we feel very positive
about" the bill, said Tom Nassif, presi-
dent of Western Growers, which repre-
sents 3,000 farmers who grow more
than half the country's produce.
"There's a program for legalizing our
existing work force."

Division of Labor

♦ The Issue: Industries are split over
whether a proposed immigration bill
meets their needs for foreign workers.

♦ What's at Stake: Lack of business
support could hurt the chances of the
landmark bill. Some industries fear
concessions in Congress will water
down the measure.

♦ The Bottom Line: Unskilled
workers—and companies that hire
them—stand to benefit the most.

For agriculture, it is a deal worth
protecting. Mr. Nassif voiced concern
that some of his industry's victories
could be eroded as the bill moves
through the legislative process.

High-tech companies, however, say
the deal doesn't provide enough visas for
software engineers, computer program-
ers and other workers whose skills are
in short supply in the U.S. In addition,
they say a new merit system envisioned
in the deal, which is designed to ease the
way to legal entry for educated immi-
grants, wouldn't necessarily ensure the
specific skills high-tech employers need.

"As the bill stands, the bill is a disas-
ter for high-tech employers," said Stu-
art Anderson, executive director of the
National Foundation for American Pol-
icy, a nonpartisan research organiza-
tion, and a former staff director of the
Senate Immigration Subcommittee.

What follows is an industry-by-in-
dustry snapshot of employer reaction
to the deal:

♦ Food Processors: The meat-pack-
ing industry has grown increasingly reliant
on immigrant labor, and in recent
months has been the target of raids by
the Department of Homeland Security
that rounded up hundreds of undocu-
mented workers. As a result, the indus-
try is largely relieved by the deal, which
could make much of its workforce legal.

"We are pleased that the White
House and key members of the Senate
have found common ground on the is-
sue of comprehensive immigration re-
form," said Sean McHugh, vice presi-
dent of investor relations, public rela-
tions and communications at Swift &
Co., the nation’s third-largest processor of both fresh beef and pork.

The company, which has annual sales of more than $9 billion, employs about 15,000 people in the U.S., and has seen hundreds of its workers arrested in raids. “We hope these reform provisions remain intact through the balance of the legislative process and ultimately become law,” said Mr. McHugh.

At Tyson Foods Inc., one of the nation’s largest poultry processors, immigrants account for as much as 60% of the workers at some plants. Archie Schaffer, a company spokesman, said Tyson supports the basic concept of the draft bill. However, he expressed concern that a requirement for workers to return home in order to apply for permanent legal residency—known as a “touch back” provision—could be disruptive.

“We don’t want to lose any continuity,” said Mr. Schaffer, noting that the company invests as much as one year and thousands of dollars in training for each employee to become proficient at his or her job.

- **Restaurants:** The National Restaurant Association, the industry’s main lobbying group, lauded the measure for allowing undocumented immigrants already in the country to stay. “I think that finally we’re going to get something done,” said Craig Miller, who was the association’s chairman until last year and remains a board member.

  Mr. Miller, who is also chief executive of Ruth’s Chris Steak House Inc., a national chain of 106 restaurants, praised the bill for decriminalizing migrant workers “because they’re here and working hard.”

- **Technology:** High-tech companies, which often need to import skilled workers from overseas, have quickly voiced a variety of concerns about the proposed immigration overhaul.

  Jenifer Verdery, director of workforce development at Intel Corp., said the Santa Clara, Calif., chip giant, which employs about 90,000 workers worldwide, is less than thrilled with the proposed plan. That’s because, she said, the proposed number of visas for skilled workers remains too low. She cited, in particular, the so-called H-1B visas employers use to bring workers with specific skills into the country. “There aren’t enough new visas—period,” she said.

  The new bill proposes raising the cap on H-1B visas from 65,000 to 115,000, or up to 180,000 if demand is high. But Ms.

  Verdery said that this year employers filed more than 115,000 petitions for H-1B visas on the first day of application alone. “The proposed new numbers wouldn’t even be enough to meet the first day’s demand,” she said.

  There are also big concerns about the “merit system” for obtaining work permits, or green cards, which is skewed toward allowing educated foreigners into the U.S., but not necessarily the people high-tech employers want. Currently, high-tech companies submit requests to the government for specific job candidates; the proposed compromise for green cards would create a job pool of educated workers, rather than give companies the flexibility to recruit the specific individuals they want.

  Betsy Mullins, vice president of government and political affairs at TechNet, a bipartisan group representing technology CEOs, said her group “has a lot of concerns regarding highly skilled workers” in the bill. In particular, TechNet says the new merit-based system is deficient because it isn’t employer-driven.

  Under the proposed system, the government would award points based on education, work experience and English proficiency. That could bring more professionals and people with advanced degrees into the U.S., but it wouldn’t give high-tech companies the license they would like to recruit the specific foreign workers best-suited to their needs.

  Since tech companies undergo change quickly and often, that means the system could quickly be out of date with a tech employer’s needs, Ms. Mullins said. “We need a market-driven system in an innovation economy,” she said. “To throw the current system out for something that hasn’t even been tested yet will give people pause.”

- **Agriculture:** Few industries have come as close to admitting they can’t survive without the labor of illegal immigrants as agriculture. At least half of the 1.8 million crop workers in the U.S. are undocumented, according to the Department of Labor. They sustain an industry valued at $30 billion annually, and the industry has been quick to applaud the prospect of legitimacy for its workers. If anything, the industry is worried about concessions in the weeks ahead as the bill moves through Congress.

  Farmers have some concern about the details in the agreement, however. Mr. Nassif, a former U.S. ambassador who has openly acknowledged that U.S. agriculture couldn’t exist without foreign workers, said that the industry wondered whether field workers could afford to pay a $5,000 fine, as mandated by the tentative deal, in order to get on the path to U.S. citizenship. “I’m not sure that it matters to them,” whether they become U.S. citizens, he said.

  **Service workers:** About 500,000 immigrants are believed to sneak into the U.S. illegally each year. Eliseo Medina, executive vice president of the Service Employees International Union, which represents janitors, nursing-home workers and other blue-collar workers, deemed the new bill “on the whole as very positive.”

  However, he expressed concern that a requirement for those now in the U.S. illegally to return home in order to apply for legal permanent U.S. residency could be problematic for both employees and employers. “If you’re a Mexican, you can make a run to Tijuana,” he said. “If you’re Chinese or Irish, it’s a really long haul.”

—Janet Adamy and Julie Jargon contributed to this article.
## Points of Contention

Some industry concerns with the immigration-overhaul plan

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<td>H-1B visas; immigration point system</td>
<td>Plan limits work permits for high-skilled foreign workers to 115,000 a year, but could go up to 180,000 if demand is high. Awards credit for special skills, not employer demand, could skew labor market.</td>
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<tr>
<td>Agriculture</td>
<td>Farm-labor pool</td>
<td>Plan makes no distinction for special labor needs of U.S. agriculture, where worker shortages have hurt growers of many crops.</td>
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<td>Construction</td>
<td>'Touch back' provision</td>
<td>Requires foreign workers to return home every two years while working toward green card; may cause disruption of work force by enforcement efforts.</td>
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<td>Services</td>
<td>Immigration point system; employee verification requirements</td>
<td>Skills-based admission system would benefit high-tech companies, disadvantage low-skill industries; verification rules would put greater burden on small companies to attest to their workers' legal status.</td>
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