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General News

Business' Tepid Take On Immigration Bill Grows Cooler Still As Senators Tinker

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The Senate's immigration reform compromise received mixed reviews from business when it was announced two weeks ago. Since then, it's been all downhill.

Amendments that cut the temporary worker program in half and tripled fees for processing skilled-worker visas are eroding support from a key constituency.

Technology firms have been the most critical. Even businesses with less-skilled workers are viewing the bill less favorably.

Still, industries that depend on the estimated 12 million illegal immigrants and a continued flow of new workers aren't turning against the bill. Instead, they hope to fix what they see as shortcomings.

"We do have concerns with the bill as it's written now," said John Gay, co-chairman of the Essential Worker Immigration Coalition, a broad-based group of industries that rely on non-college-educated workers.

It's too soon to say whether the bill's pros will outweigh its cons, Gay said. But a failure to pass immigration reform this year, he said, would be a big negative.

"If the measure dies (in the Senate), it is not likely that Congress will come back to immigration reform until after the presidential elections," he said. "Business would be facing more and more enforcement activity at the federal, state and local level."

Gay, who also serves as a lobbyist for the National Restaurant Association, said the key question is "Will the bill produce enough workers for the economy?" He said restaurants will need more than a million new workers over the next decade but will be starved for them without a good immigration bill.

A Senate vote last week to halve temporary visas issued each year under a new guest worker program to 200,000 was "a very bad sign," he said.

The coalition says the cap "should begin at 400,000 a year to keep up with demand."

The Senate also voted last week to hike the fees employers pay on H-1B visa applications to \$5,000 from \$1,500. The bill would increase the temporary visas for high-skilled workers to 115,000 a year from 65,000.

The tech industry, which has been pushing for an increase, already was critical of the bill. Last week's vote turned its criticism to outrage.

Compete America, a lobbying group for companies such as Microsoft ([MSFT](#)) and Intel, ([INTC](#)) called the vote an "outrageous and onerous tax increase on our nation's most innovative companies (that) could make the H-1B program cost-prohibitive, especially for smaller businesses."

The fee increase, proposed by Sen. Bernard Sanders, I-Vt., would be used to finance scholarships of up to \$15,000. It passed by a 59-to-35 vote.

"What many of us have come to understand," Sanders said on the Senate floor, "is that these H-1B visas are not being used to supplement the American work force where we have shortages, but rather, H-1B visas are being used to replace American workers with lower-cost foreign workers."

Point-Based Green Cards

Stuart Anderson, executive director of the [National Foundation for American Policy](#), estimated that the fee increase would amount to \$800 million a year.

Despite the higher number of H-1B visas, the tech industry has criticized the Senate bill for changing how green cards are awarded.

Because these visas are issued for stays of up to six years, businesses risk losing their workers unless they are granted green cards. Under a new point-based system for green cards, H-1B workers' odds of staying in the U.S. indefinitely would be less certain.

"I think that larger companies are more likely to push more resources offshore because the U.S. government is not allowing them to hire the people they need and keep them," Anderson said.

Sanjay Puri, chairman of the United States India Political Action Committee, warned that the immigration bill would hurt U.S. competitiveness.

Job Impact Debated

"If we can't find the workers here and cannot provide strong incentives to foreign workers to relocate here," said Puri, "these jobs will simply move overseas to where the talent is."

The point system is meant to help provide the economy with highly skilled workers. Extra points are awarded for advanced degrees and specialty occupations. Business groups say a government-designed scoring system won't be as effective as businesses in selecting workers that meet the economy's needs.

"There's basically no guarantee that any foreign nurses would be able to get in under this system, even though the nursing shortage is projected to grow worse," Anderson said.

Both the point system and the guest worker plan, which limits stays to two years, fail to recognize "how companies actually operate," he said.