

San Jose Mercury News

May 24, 2007

Takahashi: We need more Andy Groves, Vinod Khoslas - not fewer

By Dean Takahashi
Mercury News

Seth Sternberg feels like he won the lottery. The chief executive officer of Web instant messenger firm Meebo in Palo Alto has spent many hours coming up to speed on the H-1B visa program. In April, he and his immigration law consultants were finally able to secure H-1B visas for two employees in his 16-person firm.

But for every lucky winner, there are a lot of losers in the current immigration rules that govern how companies can bring temporary workers into the United States to do highly skilled work. The current H-1B visa system is ridiculous and badly needs reform. The government should allow more technology geniuses into the country so that Silicon Valley and the nation can maintain leadership in technology.

The clearest sign of a dysfunctional H-1B system: The federal government received more than 130,000 applications in a single day for the 65,000 H-1B visa slots available for the fiscal year beginning Oct. 1. And the 65,000 lucky ones can't start work until Oct. 1.

We've heard for years that immigration reform is a priority in Washington, but only last week was there some progress. A number of H-1B bills have been introduced and the congressional leadership reached a deal last week with President Bush as part of a larger, controversial immigration package. The bills seek to nearly double the number of annual grants of H-1B visas, which are good for six years. The cap has been stuck at 65,000 for four years.

Immigration is a tough issue because it encompasses everything from national security to whether undocumented workers are taking jobs away from unemployed Americans. Nobody wants to address a piece of the problem without addressing the whole thing. The consequence for the U.S. tech industry has been a bureaucratic morass that keeps it from adapting to the realities of globalization.

The tech industry's main concern is the more narrow issue of how to deal with the smaller group of immigrants whose skills are so scarce that they can do jobs for which there aren't enough similarly qualified U.S. citizens.

Sternberg is on the front line of this problem. His company, Meebo, which makes software that enables consumers to look at their instant messages no matter where they

are, often has to make 100 screening phone calls just to find a candidate worth hiring. He has 13 open positions and has hired only two people recently. Last year, Sternberg hired a foreign worker but, without a visa, that worker had to work outside the country.

Good candidates are rare. Two-thirds of those getting electrical engineering doctorates in the United States are foreign nationals. Sternberg believes he should be able to hire candidates who are best qualified, regardless of where they live.

"It's incredible that, as the CEO of a company, I have had to become intimately familiar with the details of immigration law," Sternberg said.

CEOs of big companies, such as Mike Splinter at Applied Materials, say that every person who gets a doctorate ought to be entitled to a green card. Executives like Splinter and other tech leaders have joined together in lobbying groups such as "CompeteAmerica."

But Sternberg says that leaves out the very bright foreign students who have lesser degrees but are brilliant. The proposal would ignore folks, like Bill Gates, who are technically smart but drop out of college.

Sternberg is willing to pay H-1B hires as much as equally qualified U.S. workers. That makes the H-1B hires more expensive due to relocation expenses and the costs of the lawyers needed to bring them here.

Beyond fixing the H-1B program, various tech lobby groups say the government should expand the number of training visas it gives to recent foreign graduates, give priority to spouses of H-1B visa holders, and expedite the processing of highly skilled immigrants applying for permanent residency. Those "green card" applicants have historically been at a disadvantage compared with those seeking family reunification. If the government were better at processing the green cards for skilled workers, companies wouldn't have to resort to H-1Bs, says Jenifer Verdery, director of workforce policy at Intel.

Some critics say H-1B hires displace American workers. At current levels, H-1B visa holders are 0.07 percent of the American workforce, and 57 percent of them have master's degrees or higher, according to **the National Foundation for American Policy**, a non-profit research group that favors expanding the H-1B program.

Some of the bills before Congress require companies to show that they have made good-faith efforts to hire Americans. And Sternberg says the government can use the IRS returns of H-1B visa recipients and other company employees to determine if the companies are underpaying the immigrants.

"It's critical that the government ensure that no one is cheating the system," Sternberg said.

There are other things to criticize about the program, such as the high number of visas that wrongly go to overseas outsourcing firms. Overall, enforcement actions are on the decline and the outsourcing problem has been overblown, according to the NFAP. But if the U.S. can't produce enough engineers and we don't encourage the most talented tech workers to come to this country, it will be at a disadvantage to other nations.

"America benefits by bringing talented people here who can make the country more competitive and create jobs for Americans," Sternberg says. "The more we have talented people, the better off our economy is."

If today's immigration laws were in effect decades ago, Silicon Valley probably wouldn't have the benefit of immigrants such as Intel's Andy Grove or venture capitalist Vinod Khosla. Would you say "no thanks" to them if they showed up on your doorstep?

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