Microsoft, Intel Push U.S. to Welcome More Skilled Immigrants

May 15 (Bloomberg) -- Microsoft Corp. currently does almost all its product-development work at its Redmond, Washington, headquarters. That may change if Congress doesn't make it easier to hire skilled immigrants, company officials say.

Microsoft, Intel Corp. and other technology companies are warning that they may be forced to move more work overseas unless Congress increases the number of U.S. visas available for such workers.

``We have a couple thousand open technical spots that we cannot find people to fill,'' says Jack Krumholtz, managing director of federal government affairs for Microsoft, the world's largest software maker. If that situation persists, he says, ``we're going to have to do more of our development work abroad.''

The Senate resumes debate today on a broad overhaul of immigration legislation that includes a proposal to raise the annual cap on so-called H-1B visas for skilled workers to 115,000 -- a 77 percent increase -- and make it easier for such workers to gain permanent residency.

While lobbying efforts for these provisions have been publicly overshadowed by the intense debate over how to handle a flood of unskilled, undocumented immigrants, corporate officials have quietly continued to press their case.

Microsoft Chairman Bill Gates met in March with congressional leaders, including Senate Judiciary Committee Chairman Arlen Specter, to discuss the company's ``top legislative priority,'' Krumholtz says.

Intel, Oracle

Craig Barrett, chairman of Santa Clara, California-based Intel, the world's biggest semiconductor maker, says he has spent almost 10 years pressing for changes to the H-1B program.

``These people are the people that can help drive U.S. competitiveness and our economy,'' he says. ``Let's make the U.S. the place where they want to come by choice. Let's welcome them with open arms.''

Because of the visa cap, Intel has begun placing some foreign engineers in countries with more lenient immigration rules, such as Canada, Ireland and Israel, says Jenny Verdery, director of workforce policy. ``That trend will continue until Congress fixes the problem,'' she says.

The need for more skilled immigrants is also a top issue of discussion whenever executives from Redwood City, California- based Oracle Corp. meet with members of Congress, says Robert Hoffman, vice president of government and public affairs for the world's third-largest software maker.

``It's in our mutual interests, company and country, to change our immigration laws to be much more conducive to our economic growth,'' he says.

House Opposition

Increasing visas for skilled workers faces opposition in the House of Representatives, where lawmakers favor enforcing current immigration laws and tightening border security before creating new ways for more immigrants to enter the country. The changes are also opposed by the Washington-based public-policy arm of the 365,000-member Institute of Electrical and Electronics Engineers.

Paul Kostek, the group's former president and current chairman of its committee on workplace issues, says an increase in the visa cap would cost American workers jobs and wages. Technology companies, he says, could fill their skilled-worker needs by paying higher salaries.

``There are some companies that may not be able to find people if they're not willing to pay more,'' he says. ``It's a supply-and-demand market.''

Rise and Fall

U.S. companies are now limited to hiring 65,000 skilled immigrant workers annually under the H-1B program. The cap rose to 195,000 per year in 2001 after Congress responded to increased demand from technology companies. It was lowered to 65,000 in 2004 after the technology economy slowed.

Demand for the visas exhausted the 2006 supply two months before the year began.

``We are critically dependent on foreign talent to fill the jobs we generate in the United States,'' says William Brody, president of Johns Hopkins University in Baltimore. ``To the extent to which we don't have the talented people here, the Intels of the world are going to go find the talent wherever they can.''

Companies are also seeking changes that would make it easier to apply for and renew the work permits and qualify for legal U.S. permanent residency. Getting legal residency, and the certificate of proof known as a ``green card,'' can now cost thousands of dollars and take more than a decade to complete.

Shreyas Desai, a software engineer who came to the U.S. from India on a student visa in 2000 and got an H-1B visa two years later, can't apply for permanent residency because of limits on the number given to Indians. He says he can't be promoted or get a new job because changes to his employment status would require him to resubmit his application for a green card, sending him to the back of the line.

`Literally Suffering'

``We're just suffering, literally suffering,'' said Desai, 27, of Lafayette Hill, Pennsylvania, who is one of the founders of Immigration Voice, a five-month-old, 3,500-member advocacy group for skilled immigrants, based in Dayton, New Jersey.

Congressional debate has focused on illegal immigration and a guest-worker program for unskilled workers, spurred in part by street protests across the U.S. on April 10 and May 1 in which hundreds of thousands of demonstrators demanded legal status for undocumented immigrants. A guest-worker program would have no effect on skilled workers.

``Most of the media attention is on the illegal aliens,'' says Desai. ``We just feel like we have been legal, we have been paying our taxes, we've been playing by the book. We've just been ignored.''

Presidential Support

President George W. Bush, who will speak to the nation tonight on immigration, supports raising the cap on skilled visas as part of a broader legal overhaul. ``I think it's a mistake not to encourage more really bright folks who can fill the jobs that are having trouble being filled here in America,'' Bush said in a February visit to 3M Co.'s headquarters in Maplewood, Minnesota.

The provision increasing H-1B visas is part of immigration legislation on which the Senate will resume debate today after resolving a procedural dispute over amendments. Senate Majority Leader Bill Frist has pledged to finish the measure by the end of the month.

The Senate proposal raises the visa cap to 115,000 and allows further increases of 20 percent each year based on demand. It also temporarily increases the number of green cards available to 450,000 per year to clear out a backlog of applications, while streamlining the application process.

``There is a tremendous demand for technology workers,'' says Republican Senator George Allen of Virginia. If employers ``don't have the talent to do that work, the research and development could be off-shored to other countries.''

Companies Cope

The costs borne by companies because of visa problems and jobs unfilled is difficult to quantify because companies have been coping by delaying some projects or shifting work overseas, says Stuart Anderson, executive director of the **National Foundation for American Policy**, a group based in Arlington, Virginia, that researches trade and immigration issues.

``The continuing problems, because of congressional inaction, are going to further accelerate that,'' says Anderson, who advocates restoring the old 195,000 limit. Employers ``end up taking their next best option, which is to do more of the work outside the United States.''

To contact the reporter on this story:
Nicholas Johnston in Washington at
njohnston3@bloomberg.net.