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Fewer applications for H-1B visas expected this year

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With unemployment skyrocketing across the nation, tech and other companies this year are expected to request fewer visas for highly skilled foreign workers, according to industry experts.

But whatever number is requested, the issue of H-1B visas is certain to be especially controversial in a year when many will ask why, with so many people unemployed, American companies should hire foreign workers.

In recent years, the annual cap of 85,000 for H-1B visas — including 20,000 for those with graduate degrees in science, math and engineering — has been exceeded in just a few days. Today, as the U.S. Citizenship and Immigration Services starts processing visa petitions for 2010, the torrent of applications may be smaller.

"The demand is still there, but the rate at which the cap is hit won't be as quick as it has been in the past," said Bob Sakaniwa, associate director of advocacy at the American Immigration Lawyers Association. But he said the number of petitions could nonetheless be large due to pent-up demand.

With millions of Americans out of work, the visa program for foreign workers has sparked renewed controversy. The federal stimulus law includes provisions making it difficult for financial companies receiving money from the Troubled Asset Relief Program, or TARP, to hire H-1B workers.

"It's an easy political target," said Robert Hoffman, a vice president at Oracle who is also co-chair of Compete America, a coalition of tech companies including Oracle, Intel, Hewlett-Packard and Google that lobbies for the right to hire foreign workers.

"The 85,000 H-1B workers represent 0.07 percent of the entire U.S. labor force," Hoffman said. "You could take all of the new applications for H-1B visas and put them in the Rose Bowl and you'd still have seats to sell."

Sen. Charles Grassley has criticized tech companies for not protecting jobs of U.S. citizens over those of foreigners as they layoff thousands of employees at a clip. The Iowa Republican and Sen. Richard Durbin, an Illinois Democrat, have said they plan to reintroduce a bill later this year that would require companies to do everything they can to hire Americans before seeking H-1B visas.

"We hope that this cycle of anger really makes some fundamental changes," said Lee Conrad, a former IBM worker who is an organizer for the Communications Workers of America. "When we see such high unemployment rates, Congress really needs to do something about terminating the H-1B visa program."

The tight job market is also triggering demands for more visa oversight. "We strongly support urgent reform and proper monitoring of the visa process so unqualified people can't take jobs that Americans are

qualified for," said Priyanka Joshi, spokeswoman for WashTech, a Seattle-based union for tech professionals. Though her group does not advocate eliminating H-1B visas, it believes foreign workers regularly get hired based on fraudulent qualifications.

In recent years, there has been some support from both parties in Congress for more H-1B visas and green cards for foreign professionals, a major goal of tech companies that has been caught up in the highly charged debate over immigration.

During the dot-com boom a decade ago, the H-1B visa cap was 195,000 a year, a reflection of the frenzied hiring of tech workers in Silicon Valley and elsewhere around the nation. That number dropped dramatically during the recession that followed.

"Even in this grim economy, there are some jobs in which we don't have enough people — for example, we still have a nursing shortage," said Rep. Zoe Lofgren, D-San Jose, who chairs the House subcommittee on immigration.

Nonetheless, she believes the visa program is far from perfect: "There have been instances I have discovered where people have not been paid as much as they should have been; where their skill set was average, not excellent; where there were Americans available to do the same work." Lofgren does not support piecemeal bills, such as the one planned by Grassley and Durbin, but wants overarching legislation that covers many issues, including reforming the H-1B process and making it easier for some foreign professionals to get green cards. However, many experts think it's unlikely Congress will take on major immigration reform this year.

But the issue remains high on the list of concerns of Silicon Valley tech companies. As many as two-thirds of students enrolled in computer science and engineering programs at U.S. universities are from overseas, said Stuart Anderson, executive director of the **National Foundation for American Policy**, a nonpartisan group that conducts research on trade and immigration.

"You'd have to ignore half to two-thirds of your potential future labor pool to not hire someone who is a foreign national," he said. "If you do ignore them, your competition will hire them outside the United States."

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H-1B employers

Top companies that applied for H-1B visas in 2008:

Infosys Technologies: 4,559

Wipro: 2,678

Satyam Computer Services: 1,917

Tata Consultancy Services: 1,539

Microsoft: 1,037

Accenture: 731

Cognizant Tech Solutions: 467

Cisco Systems: 422

Larsen & Toubro Infotech: 403

IBM India Private Ltd.: 381

Intel: 351

Source: National Foundation for American Policy