

May 27, 2007

Many Employers See Flaws as Immigration Bill Evolves

By [ROBERT PEAR](#)

WASHINGTON, May 26 — Employers, a major force in the national debate over [immigration](#), say their discontent with the bill shaping up in the Senate has deepened over the last week because of changes that could make it more difficult for them to hire foreign workers.

High-tech companies, like [Microsoft](#) and [Oracle](#), and employers of lesser skilled workers, like restaurants and construction contractors, already had qualms about the original version of the legislation, forged in three months of talks between the White House and a dozen senators.

But from the point of view of many employers, the bill has become worse in the last week.

E. John Krumholtz, director of federal affairs at Microsoft, said senators were well intentioned and “really wanted to help us” find the skilled professionals needed to design computers and write software.

But Mr. Krumholtz said: “The deal is worse than the status quo, and the status quo is a disaster. We are troubled by the grand bargain.”

The deal was announced on May 17, and the text of the legislation became available two days later. The Senate began debating it on Monday.

Mr. Krumholtz said, “The package would have benefited from greater scrutiny — the hearings, review and analysis that occur in the normal legislative process.”

Supporters of the bill had a good week on the Senate floor. On Monday, they got 69 votes to begin consideration of the bill. They mustered 66 votes on Thursday in favor of the most contentious provision in the bill, which would offer legal status to most of the nation’s estimated 12 million illegal immigrants.

The bill calls for a “merit-based system” of awarding green cards, which gives greater weight to education and job skills.

But Daryl R. Buffenstein, a former president of the American Immigration Lawyers Association whose clients include many Fortune 500 companies, said: “The reforms in the Senate bill do not help the business community. Indeed, they hurt the business community. Under the current system, employers file petitions with the government to show why a particular employee is needed and should get a green card. The Senate bill would eliminate the employers’ ability to petition for specific workers.”

The bill would increase the number of visas for highly skilled workers, a goal long sought by the high-tech industry. Senator Bernard Sanders, independent of Vermont, won adoption of an amendment that would

increase the fee charged to employers for such a visa, known as an H-1B, to \$5,000, from \$1,500. The money would be used to finance scholarships for American citizens studying engineering, mathematics, computer science or health care.

Robert P. Hoffman, a vice president of Oracle, said the higher fees represented “an onerous tax increase on America’s most innovative companies.”

Companies that employ lower-skilled workers also objected to changes made on the Senate floor.

The bill, as drafted by senators and the Bush administration, would have allowed American companies to bring in 400,000 lower-skilled workers on two-year visas. The number could have increased to 600,000 in response to employers’ needs.

The Senate lowered the limit to 200,000 and eliminated the automatic adjustment for market conditions. Senator Byron L. Dorgan, Democrat of North Dakota, said the foreign workers would put “downward pressure on American wages.”

R. Craig Silvertooth, director of federal affairs at the National Roofing Contractors Association, said employers were dismayed by the Senate’s action.

“It’s a travesty,” Mr. Silvertooth said. “It eviscerates the temporary worker program, which was one of the central reasons for the business community to be involved in the immigration debate.”

Employers strongly support the provision that would offer legal status to illegal immigrants.

With a legal work force, employers say, they could avoid fines and raids by immigration officers. Such raids have disrupted operations at some companies, forcing them to recruit and train replacement workers.

Jeffrey S. Passel, a former [Census Bureau](#) demographer who works at the Pew Hispanic Center, estimates that more than 7 million of the 12 million illegal immigrants are employed. They account for nearly 5 percent of the nation’s civilian labor force, with higher shares in some occupations: 29 percent of roofers, 24 percent of agricultural workers and 25 percent of construction laborers.

But employers said they were still deeply concerned about a provision of the Senate bill that would require them to check federal and state databases to verify that employees were eligible to work in the United States. The requirement applies to all current and future employees, whether they are citizens or not.

If the employee verification system had even a small error rate, it could cause big problems for large companies like [Wal-Mart](#), which has 1.3 million employees.

John F. Gay, senior vice president of the National Restaurant Association, said the verification system should be phased in, to make sure it could handle the large number of inquiries that would be made.

Farmers, by contrast, are generally pleased with the bill, which has many provisions tailored to their needs. Under the bill, the government would create a special program to legalize the status of illegal immigrants working in agriculture, and it would speed the approval of employers’ petitions to bring in seasonal workers.

“The bill would secure the essential labor force in agriculture today, and it would go a long way to meet our need for seasonal labor in the future,” said Luawanna M. Hallstrom, a tomato grower in Oceanside, Calif., who is a vice president of the National Council of Agricultural Employers.

John H. Young, director of the New England [Apple](#) Council, said the new procedure for seasonal farm workers would be “more reliable than the current system, which is so cumbersome that you can’t be sure you’ll have workers when you need them.”

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