U.S. PAYS DEARLY IF FOREIGN-WORKER CUTBACKS SUCCEED

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Body

SILICON Valley executives are engaged in an intense battle in Congress to retain the ability to hire and, in some cases, bring to this country some of the world'***s*** best scientists and engineers.

Both houses are working on laws covering legal and illegal immigration. Tucked within the hundreds of pages of legalese are provisions that would make it much more difficult - and at times impossible - for high-tech companies to hire top university researchers or transfer key employees to the ***United States***.

The number of people who would be affected is relatively small. For example, if the Senate bill had been in effect in 1994, it would have covered about 300 employees Hewlett-Packard hired or moved that year, when H-P'***s*** ***U.S.*** workforce totaled 58,000 people.

But the impact would be tremendous because these individuals bring crucial skills that bolster ***U.S.*** companies' competitiveness.

The immigration bills would be especially burdensome to small companies, which depend heavily on a few highly skilled people.

"'If our foreign competitors had conspired to contrive a scheme to slow us down, I doubt that they could have come up with a better way to do that than the immigration law revision that is in the works today,"' says Andrew ***S***. Grove, chief executive of Intel.

Under these provisions, Grove, a Hungarian refugee, would have had a tougher time getting a job after receiving his doctorate from UC-Berkeley. Vinod Khosla and Andreas Bechtolsheim, two of the four ex-Stanford and UC-Berkeley students who started Sun Microsystems, might have been forced to form their corporation overseas. And many less famous but still important contributors would have ended up working overseas, either for a ***U.S.*** company or a competitor.

Because of the passions aroused by the topic of immigration, it'***s*** likely a bill on the issue will pass Congress this year and be signed into law by President Clinton.

High-tech companies are trying to persuade Congress to split the bills into two, one addressing legal immigration and the other illegal immigration. That way legislators could vote against drastic changes in the rules that affect highly skilled, legal immigrants while voting in favor of limits on illegal immigration. Such a split also would help keep some lawmakers from being unfairly branded as favoring illegal immigrants over American workers.

So far, the effort to split the bills has failed. Among its key opponents is California Sen. Dianne Feinstein, who voted with the majority when the Senate Subcommittee on Immigration decided, 4-3, to combine what had been separate bills. The full Senate Judiciary Committee is expected to vote Feb. 29 on the subcommittee'***s*** decision. Feinstein'***s*** office didn't respond to questions about her position on this issue.

Bills in both houses would reduce the number of visas granted to foreigners who seek work here and make it more difficult to qualify for such visas. The Senate bill, sponsored by Alan Simpson, D-Wyo., is the more onerous.

It would limit the stay of employees that companies transfer to the ***United States*** to three years, compared with seven years today. That would hurt both ***U.S.*** and foreign companies with operations here.

Take Chip Express, a fast-growing maker of a laser-based machine used to make custom semiconductors. The company, which has 110 employees, was founded in Israel but has 77 of its workers, including 38 ***U.S.*** citizens, in Santa Clara.

Sharone Zehavi, director of production, transferred to Santa Clara from the company'***s*** R&D lab in Israel in 1993. He invented and continues to improve the company'***s*** key service, which helps companies make small batches of advanced chips economically. If Zehavi were to leave after three years, Chip Express' efforts to upgrade the process would be delayed for a year or more. "'Taking the head off, you still have the body, but it'***s*** not the same,"' a spokeswoman says.

The Senate bill would require ***foreign workers*** to have at least three years of work experience in the ***United States*** before applying for permanent work visas. Because temporary visas would be limited to three years, such people would have to leave the country before they could apply for permanent visas. This would affect foreign students who currently join high-tech companies upon graduation.

Many foreign students would seek jobs overseas instead, which would hit ***U.S.*** companies with a double whammy.

First, many of them would wind up with competitors. Second, ***U.S.*** companies couldn't fill their openings.

Even now, with foreign students in the pool, there aren't enough students specializing in the sciences, software programming and computer science to satisfy industry needs.

The number of Americans in ***U.S.*** science and engineering graduate programs has declined to 60 percent of those getting doctorates and 70 percent of those receiving master'***s*** degrees.

The Senate bill also includes disincentives for hiring foreigners. It would require companies to ***pay*** "'permanent immigrant employees"' 5 percent more than ***U.S.*** workers - not the best way to promote company harmony - and a minimum $10,000 fee to the federal government for each such worker they hire. (That fee would be earmarked for a training fund for ***U.S.*** workers.)

The main assumption behind these bills is that ***U.S.*** companies hire ***foreign workers*** instead of Americans because they're less expensive. That'***s*** not true in the high-tech industry.

In fact, hiring ***foreign workers*** is more expensive. The law requires that wages be comparable to what ***U.S.*** workers are ***paid***. Companies must also spend $5,000 to $10,000 on a "'labor certification process"' to show the Department of Labor that no qualified ***U.S.*** worker is available. Sometimes there'***s*** the expense of moving a worker and his or her family from overseas.

But companies are willing to ***pay*** more because they need the skills. Without these people, ***U.S.*** companies will lose their technological edge, which means they'll grow more slowly or even shrink.

That would be a disaster for high tech and the ***U.S.*** economy.

Obviously that'***s*** not Congress' intent. Unfortunately, it'***s*** the result that counts.

Notes

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