Use of Work Visas by Technology Companies Is Under Fire - Correction Appended

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Body

As the information ***technology*** industry lobbies Congress to let more high-skilled foreign workers enter the country, new immigration figures indicate that the ***companies*** applying for the most ***visas*** are ***using*** them for the kind of jobs that critics say many Americans could easily be trained to perform.

Figures recently given to Congress by the Immigration and Naturalization Service show that the 10 ***companies using*** the most ***visas*** last year all provide contract labor and services -- jobs like computer and software installation and maintenance that critics contend do not necessarily require college-level math and science degrees.

The designation H1-B is ***used*** for ***work visas*** intended for hard-to-fill jobs. Many ***technology companies*** say they need to import more workers ***under*** the H1-B program because of a shortage of technically proficient domestic workers to fill crucial electrical engineering and product development jobs -- positions that often require master's or even doctorate degrees.

And yet, the ***company*** that imported the most foreign labor last year ***under*** the H1-B program is the Mastech Systems Corporation, a Pittsburgh ***company*** that received ***visas*** for 1,733 employees -- or about 80 percent of its domestic ***work*** force -- to bring in software programmers with only bachelor's degrees.

"This is not brain surgery," Representative Ron Klink, a Pennsylvania Democrat, said of the jobs being filled by foreign workers at ***companies*** like Mastech. "These jobs do require some skill and intellect. But American workers can be trained to take these jobs."

Mr. Klink, a member of the House Commerce Committee, requested a recent General Accounting Office review that questioned the extent of the shortage of ***technology*** workers.

He and other critics want Congress to hold the line on the number of ***visas*** rather than adopt a proposal by Senator Spencer Abraham, a Michigan Republican, that would raise the number of H1-B ***visas*** to 95,000 from 65,000. American industry, they argue, is exaggerating the dearth of qualified labor market to import foreign workers who are willing to ***work*** for lower pay and who take jobs from Americans.

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Supporters of the Abraham bill, which is scheduled for a Senate vote early next month, say the current ceiling will be reached in May, four months before the end of the Federal fiscal year and leaving many crucial **_technology_** projects at risk.

No comparable House legislation has yet been introduced. But the House Judiciary Committee's subcommittee on immigration is holding a hearing on Tuesday. And the chairman, Lamar Smith, a Texas Republican, said he hoped to have a bill offered within a week and passed by the full House by the end of the month.

Industry lobbyists say the shortage of high-tech workers is so acute that failing to raise the cap could threaten one of the most vital parts of the nation's booming economy. **_Companies_** unable to fill crucial positions in this country, they say, will have no choice but to send more sophisticated **_technology_** projects overseas.

The American information **_technology_** industry has 346,000 job openings -- more than enough to go around for foreign workers and Americans alike, said Harris Miller, president of the Information **_Technology_** Association of America, a Washington trade group.

Complicating the debate are some seemingly contradictory trends, as some key parts of the industry -- including personal computer makers and chip **_companies_** -- are grappling with cyclical softening of their markets.

Two weeks ago, for example, the Intel Corporation played a lead role in releasing an industry study that contends there is a dire shortage of skilled **_technology_** workers. By last week, the **_company_** was announcing plans to cut some 3,000 jobs, mainly through attrition, in response to weakening demand for its microprocessors.

But the kinds of jobs going dark and the kinds going begging are not of the same skill level, according to Tracy Koon, an Intel spokeswoman. The **_company_** is always on the lookout for the type of highly skilled employees who receive most of its H1-B **_visas_**. At Intel, about 3 percent of a **_work_** force of 67,000 people have been hired via H1-B **_visas_**, and nearly 80 percent of the immigrants hold master's degrees or doctorates, Ms. Koon said.

Two other Silicon Valley advocates for the Senate bill, including the National Semiconductor Corporation and Varian Associates Inc., have frozen their **_work_** forces at current levels.

Varian Associates, which is based in Palo Alto, Calif., is a maker of laboratory instruments, medical equipment and semiconductor manufacturing equipment. It has only 30 H1-B **_visa_** holders among its 7,000 employees and is not currently seeking to add any new high-skill positions. Nevertheless, Varian wants the immigration cap raised.

"We don't know when the crunch is going to come; it's so cyclical," said Ernest M. Felago, Varian's vice president of human resources. "Our only point is that it's another source of labor, so why dry it up?"

National Semiconductor, also a chip maker, said that 55 of the 450 technical people it has hired this year required H1-B **_visas_**. Even though the **_company_** has imposed a temporary hiring freeze, National Semiconductor, like Varian, wants the **_visa_** limit raised to be assured of having access to the best talent from where ever and whenever necessary.

"We would probably support taking the lid off altogether, but that's pretty radical at this point," said Tom Wulf, director of staffing for National Semiconductor.

A problem with even the current caps, according to **_companies_** which seek the highest-skilled foreign workers, is that too many of the H1-B **_visas_** are being **_used_** to fill jobs that do not require searching overseas for candidates.

"They should be hiring double-E people and people in product development," Mr. Wulf said, **_using_** an industry abbreviation for electrical engineers. "Otherwise," he said, they shouldn't be allowed to **_use_** the **_visas_**."

But Mastech, for one, makes no apologies for **_using_** the **_visas_** or for bringing in such a high proportion of immigrant labor. Mastech began as a high-tech personnel service but has expanded into helping **_companies_** design, install and update office computer systems.

"The whole market has grown so fast and the talent keeps declining," said Chuck Rusdill, investor relations director for Mastech. He said the ***company*** has been forced to dip into the foreign labor pool for even bachelor-degree holders, not to pay lower wages but because of the dwindling number of American computer science graduates.

Mastech said that most of its H1-B workers arrive with a bachelor's degree in computer science and three to five years of ***work*** experience. But Mr. Klink said that many of the jobs at Mastech and ***companies*** like it do not require math or science degrees. Programming, he contended is a skill that many underemployed Americans can easily be trained to do.

During the 1993 and 1994 votes on free-trade treaties, "we were being told that as we entered the new information age, our workers were going to be training for new information ***technology*** jobs," Mr. Klink said. "Now, only four years later, we're being told we don't have enough people, our people aren't trainable."

As the debate rages, even basic data are being questioned about the extent of the job opportunites in information ***technology***. In addition to the the Information ***Technology*** Association of America study that found 346,000 job vacancies, the Commerce Department has estimated that the information ***technology*** industry will need an additional 1.3 million workers over the next decade.

But the recent General Accounting Office review questioned the validity of those numbers and the methods ***used*** for calculating them.

And while the industry points to figures showing wages in information ***technology*** are as much as 64 percent higher than the national average, critics say a rather modest wage growth in the field does not bear out claims of a labor crisis.

Norm Matloff, a computer science professor at the University of California-Davis, said that Norm Matloff said that Bureau of Labor Statistics indicate salaries for computer programmers rose 7 percent last year -- not a rate that would indicate employers are desperate for new labor, he said.

Correction

An article in Business Day on April 20 about ***technology companies***' hiring of foreign workers misstated the name of one ***company***. It is the Mastech Corporation, not Mastech Systems. The article also misspelled the surname of the ***company***'s investor relations director. He is Chuck Rudisill, not Rusdill.

Correction-Date: April 29, 1998, Wednesday

Graphic

Chart: "Who ***Uses*** High-Skill ***Visas***"

Across the country, thousands of foreigners with special ***work*** ***visas***, called H1-B ***visas***, are ***working*** for ***technology companies*** that say they need the foreign labor to fill skilled jobs that cannot be filled by Americans. Some critics, though, contend that the workers are not necessarily more skilled, just less expensive. Chart lists ***companies*** with the largest number of these workers. (Source: Immigration and Naturalization Service)(pg. D10)

Classification

Language: ENGLISH

Subject: PASSPORTS & *VISAS* (90%); IMMIGRATION (90%); IMPORT TRADE (90%); EMPLOYMENT *VISAS* (90%); FOREIGN LABOR (90%); US REPUBLICAN PARTY (89%); US FEDERAL GOVERNMENT (89%); TECHNICIANS & TECHNOLOGICAL WORKERS (89%); LEGISLATIVE BODIES (89%); IMMIGRATION LAW (89%); LOBBYING (78%); CITIZENSHIP (78%); LEGISLATION (78%); LABOR SHORTAGES (78%); LABOR FORCE (78%); ENGINEERING (78%); LABOR SECTOR PERFORMANCE (78%); US DEMOCRATIC PARTY (77%); PRODUCT DEVELOPMENT (76%); PUBLIC FINANCE (71%); GRADUATE & PROFESSIONAL SCHOOLS (70%)

Company: INTEL CORP (68%); VARIAN ASSOCIATES INC (64%); *TECHNOLOGY* COS (61%); IMMIGRATION AND NATURALIZATION SERVICE; MASTECH SYSTEMS CORP INTEL CORP (68%); MASTECH SYSTEMS CORP INTEL CORP (68%); VARIAN ASSOCIATES INC (64%); *TECHNOLOGY* COS (61%);   IMMIGRATION & NATURALIZATION SERVICE   (91%); IMMIGRATION & NATURALIZATION SERVICE (91%)

Organization: IMMIGRATION & NATURALIZATION SERVICE   (91%); IMMIGRATION & NATURALIZATION SERVICE (91%); IMMIGRATION AND NATURALIZATION SERVICE; MASTECH SYSTEMS CORP IMMIGRATION & NATURALIZATION SERVICE   (91%); MASTECH SYSTEMS CORP IMMIGRATION & NATURALIZATION SERVICE   (91%); IMMIGRATION & NATURALIZATION SERVICE (91%)

Ticker: INTC (NASDAQ) (68%); VAR (NYSE) (64%)

Industry: COMPUTER SOFTWARE (90%); ENGINEERING (78%); COMPUTING & INFORMATION *TECHNOLOGY* (78%); GRADUATE & PROFESSIONAL SCHOOLS (70%); SOFTWARE DEVELOPMENT & ENGINEERING (70%)

Geographic: PITTSBURGH, PA, USA (79%); TEXAS, USA (79%); PENNSYLVANIA, USA (79%); UNITED STATES (94%)

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