

## **FOREIGN WORKER VISAS REVIVED BILL TO CLOSE LOOPHOLE ON LAWSUITS ALSO ALIVE**

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**Byline:** JIM PUZZANGHERA, Mercury News Washington Bureau

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### **Body**

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Riding a months-long roller coaster worthy of the stock market, legislation to allow more skilled **foreign workers** into the country appears to be back on track, just days after it was widely presumed to have crashed.

Congressional and White House negotiators agreed Tuesday to include an expansion of the H-1B **visa** program -- eagerly sought by the high-tech industry -- in the huge budget **bill** still being crafted. That parliamentary maneuver is designed to thwart one lawmaker: Sen. Tom Harkin, D-Iowa, who blocked the H-1B expansion last Friday when it came up as a separate **bill**.

It was a good day for Silicon Valley in the nation's capital. High-tech officials also celebrated the overwhelming passage in the Senate and House of Representatives of the industry's other top legislative priority -- a **bill** to curtail class-action **lawsuits** against companies that undergo wild price swings in their stock prices.

And a key lawmaker said a third tech priority -- a moratorium on special Internet taxes -- is likely to end up in the budget **bill** as well.

All three issues had been heading toward final approval just weeks ago, but each got caught in political wrangling as Congress speeds toward adjournment. None, however, has traveled a more perilous path than the H-1B **bill**, which has evaded intense opposition from organized labor, a veto threat from President Clinton and now the 11th-hour infighting of an experienced legislator.

Procedural tactic

Harkin blocked the **bill** by exercising a procedural prerogative that gives immense power to lone senators in the waning days of a congressional session. He cited the thousands of layoffs in the high-tech industry this year as proof that a shortage of engineers and computer programmers no longer exists.

But tech lobbyists and congressional advocates insisted that the need for skilled **workers** remains intense, and capitalized on strong bipartisan support to attach the **visa** program to the so-called omnibus appropriations act.

"This is a big victory for the economy, which is being fueled in large part by our high-tech industries," said the **bill's** chief sponsor, Sen. Spencer Abraham, R-Mich., in a written statement. "The legislation strikes the right balance in safeguarding America's competitive edge and protecting U.S. jobs."

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Still, the H-1B measure is not completely out of rough waters. The appropriations bill could be derailed by several contentious issues that negotiators have not yet agreed to, such as increased spending on school construction. Or the H-1B clause could be axed from the bill with other attached legislation during last-minute horse trading.

"While in a major budget negotiation, nothing is ever agreed to until everything is agreed to, the prospects for inclusion are looking very positive," said Gene Sperling, chairman of the White House National Economic Council. "The White House, Senator Abraham and Senator (Barbara) Boxer have all pushed hard for this, and it looks like a good bet at this time."

## Support from Boxer

Boxer, who could use Silicon Valley votes in her tough re-election bid, lobbied Democratic leaders in the Senate to agree to include the visa legislation in the budget bill.

High-tech officials have been scrambling since Friday to get the visa legislation to hitch a ride on that bill, which Congress must pass to avert a government shutdown. It's the tech community's last chance to expand the visa program until early in 1999, at which point all of the current allotment of H-1B visas for this fiscal year likely will be used up.

Some high-tech industry lobbyists echoed Sperling's caution. But, they said, they'd rather be in the volatile mix of the end-of-session appropriations battle than be dead in the water.

"Nothing's done till it's done, but it's looking as good as it can," said Mary Dee Beall, government affairs manager for Hewlett-Packard Co. Without an increase in the number of visas, the annual cap of 65,000 will be allotted within a few months during this fiscal year, which began Oct. 1. Last year, the cap was met in May, leaving many companies unable to hire skilled workers from abroad.

The legislation, which the House approved 288-133 on Sept. 24, would increase the annual number of visas to 115,000 in 1999 and 2000, then to 107,500 in 2001 before reverting back to the current level in 2002. In addition, a \$500 fee on each visa granted will generate millions of dollars for worker training and scholarships.

While supporters cited a recent study pegging the number of vacancies in the information technology industry at 340,000, some organized labor critics said there is no real shortage of workers. Last week, the Institute of Electrical and Electronics Engineers-USA, which represents 220,000 engineers and computer programmers, said thousands of layoffs in the high-tech industry have led to an eightfold increase in the unemployment rate -- to 3.4 percent -- for electrical engineers since the beginning of the year.

The securities lawsuit legislation, known as the Securities Litigation Uniform Standards Act, closes a loophole in a 1995 law that made it tougher to file and win shareholders' lawsuits in federal court. But the legislation had the effect of pushing many suits into state courts, which had more lenient standards.

## Federal jurisdiction

Under the act, which Clinton is expected to sign, all such suits would be sent to federal court, where one standard would prevail.

"I think it's very important to have the uniform standards," said Rep. Anna Eshoo, D-Palo Alto, who co-sponsored the legislation. "There was obviously a circumvention (of the 1995 law), moving cases from the federal courts . . . into state courts where the same standards didn't apply."

Reed Hastings, chief executive officer of TechNet, a Silicon Valley-based group that lobbies for high-tech issues, said the legislation will help high-tech companies thrive.

"It will create a stable legal environment so they can continue to take the bold risks they've taken in terms of growing companies," he said.

## Classification

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