



POSITION PAPER

H-1B VISA PROGRAM MUST BE ABOLISHED OR REFORMED

The H-1B visa program was originally created to assist American employers who were having trouble finding American high-tech workers for their businesses. It allowed a fixed number of foreign workers come to the United States to “temporarily” fill those positions while the American companies and the federal government invested time and money in upgrading the training of American workers to meet the new skill levels required.

Although the program was originally designed to benefit American businesses, it has now become a program that benefits foreign companies with offices in America, rather than American companies, because the majority of the H-1B visas are now going to foreign-owned companies. Data just released by the federal government shows that offshore outsourcing firms, mostly from India, dominate the list of companies awarded H-1B visas in 2007. Indian outsourcers accounted for nearly 80% of the visa petitions approved last year for the top 10 participants in the program. These statistics should set off some alarms in congress that the H-1B visa program is not working as it was intended. According to data from the U.S. Citizen and Immigration Services, Infosys Technologies and Wipro, two companies based in Bangalore, top the list of visa beneficiaries in 2007, with 4,559 and 2,567 approved visa petitions, respectively. Microsoft and Intel were the only two traditional U.S. tech companies among the top 10. Microsoft received only 959 visa petition approvals, or one fifth as many as Infosys, while Intel got only 369. How is this helping American workers and American businesses?

The H-1B work visa program was supposed to be used to bolster the U.S. economy by helping American-owned companies. Under the program, American companies can use the speciality visa to hire foreign software programmers or computer scientists with rare skills in order to encourage innovation and improving competitiveness. Instead, foreign companies such as Infosys and Wipro are using our own government program to undermine the American economy by wiping out American jobs. These foreign-owned companies are bringing low-cost workers into the U.S., training them in the offices of American business clients, and then rotating them back home after a year or two so they can provide low cost, out-sourced tech services that causes American IT workers to lose their jobs. How is this helping American workers and American businesses?

Even though approximately 80,000 Americans lost their jobs in the first two months of 2008, incredibly some members in the House of Representatives have introduced legislation to help these big foreign-owned international corporations bring in an increasing number of foreign workers that will put even more Americans out of work. Since its inception, the H-1B Visa program has been rampant with fraud. In the first half of 2006, the Programmer’s Guild, a group representing U.S. worker interests, filed over 300 discrimination complaints against companies who posted “H-1B visa holders only” ads on internet job boards. It’s obvious that these foreign-owned companies are only targeting foreign workers and undermining the system by bypassing the American worker. How is this helping American workers and American businesses?

While a bill to reduce illegal immigration (HR-4088) is stalled in Congress with the House leadership refusing to bring it to the floor for a vote, Representative Gabrielle Giffords (D-Arizona) has introduced “The Innovation Employment Act” (HR-5630) that would increase the cap of H-1B visas from 65,000 a year to 130,000 a year. In addition, there would be no cap on H-1B applications for foreign graduate students attending U.S. colleges and studying science, technology and related fields. Currently, there’s a 20,000 student-a-year cap on visas for graduate students in all fields. The legislation would eventually increase the H-1B cap to 180,000 and the total

number of foreigners admitted under this work and graduate education proposal could reach almost 300,000 a year. To make matters worse for the American IT workers, Rep. Lamar Smith (R-Texas) has introduced the “Strengthening United States Technology and Innovation Act” (H.R. 5642), which would TRIPLE the current H-1B visa cap to 195,000 in 2008 and 2009 and Rep. Zoe Lofgren (D-Calif) wants to make Rep. Smith’s increase permanent. How is this helping American workers and American businesses?

There is no real shortage of American information technology workers. It’s just that the large high-tech international companies want to turn these hard earned information technology skills into as cheap a labor commodity as possible at the American workers’ expense. On March 12th Bill Gates appeared before Congress calling for an increase in H-1B visas. Two days later, without soliciting comments from any representatives of American IT workers, Congress introduced two bills that would double or triple the H-1B base cap. Why weren’t the representatives of American IT workers allowed to be heard? Could the average of \$25 million dollars a year that members of congress receive in bribes (I mean campaign contributions) from the Computer Equipment and Services Industry, have something to do with this? Here’s some interesting campaign contribution statistics compiled by the Center for Responsible Politics at www.opensecrets.org that shows why congress may be so eager to support the requests of the Computer Equipment and Services Industry over the American IT workers. Here’s how much the high-tech industries have contributed to federal campaigns:

2000 - \$38.9 million
2002 - \$26.7 million
2004 - \$29.0 million
2006 - \$18.4 million
2008 - \$15.5 million (partial)

These two bills (H.R. 4088 and H.R. 5642) will do nothing to curb the fraud in the H-1B visa program and they will have serious consequences for American citizens that are employed in the information technology field. The proposed legislation will displace even more American IT workers and outsource their good paying, high-technology jobs to foreign off-shore companies. We must learn from our mistakes. The current H-1B visa program has not served the best interests of American workers nor American companies. The current program has actually helped foreign competitors, with branch offices in the USA, hire almost no Americans and shift as many American jobs overseas as possible. How is this helping American workers and American businesses?

The current H-1B Program, as designed, is detrimental and harmful to the welfare of American workers and American high-tech businesses. It should be abolished. In it’s place and only if it is needed, H-1B type legislation should be written in a way that actually benefits American companies, American workers and American students thinking of embarking on a high-tech career.

Any new H-1B Visa legislation should be simple and have the following criteria to help Americans only:

IT MUST BENEFIT BOTH AMERICAN WORKERS AND AMERICAN COMPANIES: The H-1B Visa Program was originally designed to help American companies. Any new H-1B Visa Program should apply ONLY to American-based business entities and the H-1B visas should only be issued to foreign employees after proof is supplied that no American worker has either applied or is otherwise qualified for the position.

BENEFIT FOR AMERICAN STUDENTS: Companies that hire H-1B visa holders should pay an annual fee for each visa holder they hire to be used to fund scholarships for American citizen high school and college students interested in high-tech careers and enrolled in STEM educational programs (Science Technology Engineering and Mathematics).

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