



## Hiring foreign-born tech workers can be daunting

[By Michael Kinsman]

A portion of her job has become so unpredictable that Brenda Phillips probably wishes she had a crystal ball to guide her.

As human resources manager for Peregrine Semiconductor, Phillips is asked to anticipate the company's staffing needs, calculate its expansion rate and predict any business setbacks that might occur months before they do.

The combination of a thriving technology company and a shortage of qualified specialty engineers in the United States means she sometimes has to draw upon professionals from other countries to meet Peregrine's needs. Quotas limit the number of worker visas, and the cumbersome process to hire them is at once complicated, time-consuming, costly and perplexing.

And there is no certainty that her company will be successful in obtaining a visa.

"The H-1B visa will be the death of me," said Phillips, whose company makes integrated circuits in San Diego for the wireless market. "I have to recruit and make offers to people a year or 18 months ahead of their effective hiring date ... and I have to take into account what might happen to the company in the interim."

The use of the H-1B visa to import high-level technology expertise from other countries is an overlooked part of the current immigration debate, lumped together as it is with the issues of low-skilled workers and those who enter the United States illegally. But increasing demand for H-1B visas could push them into the limelight.

The U.S. Citizenship and Immigration Services grants 65,000 H-1B visas annually

to foreign technical workers with bachelor's degrees. It grants an additional 20,000 H-1B visas to job applicants with advanced degrees.

The quota for the visas was hit July 26 this year for the 2007 federal fiscal year that begins Oct. 1. The cap was reached two weeks earlier this year than last, a sign of the increasing demand.

The H-1B visa limit is compounded by a dearth of U.S. students pursuing math and science degrees that would prepare them for jobs in the biotech, telecom and computer industries. Businesses contend this shortage puts them at a competitive disadvantage with companies in nations with emphasis on math and science education and with nations that have less restrictive immigration policies.

"This is a critical issue for our country," said Julie Meier Wright, president and chief executive of the San Diego Regional Economic Development Corp. "Companies follow a talented work force. If they can't find what they need in the U.S., they'll look elsewhere."

The U.S. Bureau of Labor Statistics estimates that the demand for science and engineering graduates will grow 24 percent from 2004 to 2014.

In 2004, more than 40 percent of master's degrees and more than 50 percent of doctoral degrees issued by U.S. colleges and universities were awarded to foreign nationals, according to the National Science Foundation.

"Unfortunately, the number of visas allowed isn't even close to meeting the demand," said Van Goodwin, an immigration attorney with Littler Mendelson in San Diego. "We are educating and training people in the U.S., then sending them back to their home countries to work. Meanwhile, we have jobs here that aren't being filled."

Some technology companies might employ only one or two H-1B visa workers, while others might employ dozens. Most companies have been reluctant to discuss their employment of foreign workers publicly, even though it is a hot topic at industry and trade association meetings.

A letter being circulated by the AeA, the American Electronics Association, to push Congress for more H-1B visas has been signed by executives at nearly three dozen companies, including Cymer, Websense, Iomega and Qualcomm.

"It's simply become more difficult for companies to depend on these visas because they are hard to get," said Joe Panetta, president and chief executive of BIOCOM, a trade group that represents 470 life science companies in Southern California.

"Our industry has always relied on H-1B visas because we don't have the trained work force here we need. Not being able to depend on them makes doing business difficult."

Rodney Moses, vice president of talent acquisition for Invitrogen, said the difficulty with obtaining visas for its needs is causing the biotech company to open operations in other countries.



Invitrogen provides tools and services to drug development companies and laboratories and has operations in 70 countries. It operates divisions in India and China that employ about 245 people. Seventy-five of its 1,200 U.S. employees hold H-1B visas.

"Our company's goal is to hire the best and brightest," Moses said. "If we can't find them here, we will have to find them someplace else. Our company standards will remain the same. We can't adjust them downward because the talent isn't available in the U.S."

The most recent figures from U.S. Citizenship and Immigration Services shows that there were 217,340 people working in the United States under H-1B visas in 2003, or about 3.6 percent of the nation's 6 million technology workers.

To obtain an H-1B visa, companies must first convince the federal government that they cannot find qualified workers in the United States. They also must pay about \$2,200 in fees to the government, plus attorney's expenses in the range of \$1,000 to \$2,500 for each applicant.

Pressure by U.S. companies and a strong economy caused Congress to raise the cap on H-1B visas as high as 195,000 earlier this decade, although that annual limit was never reached. The cap was reset at 65,000 in 2004, where it remains today. The 20,000 visas for advanced degrees was enacted in 2005.

H-1B visa holders are granted temporary work permits, issued for three-year periods and renewable once. They can work for U.S. companies up to six years before they have to return home or obtain permanent residency in the United States.

Immigration attorney Jeanne Malitz says obtaining a visa for a foreign employee can be daunting.

"It's very time-consuming and is a frustrating process," she said. "Companies are faced with finding people well in advance of when they can put them on the payroll, then they have to sponsor the individual for a visa. But even if they find the perfect person for a job, they may be out of luck because there are no available visas."

Malitz, who has worked with 200 companies on visa issues over the past 17 years, said the common notion that some U.S. employers hire foreign workers because they can pay them less is misguided.

"I'm sure it has happened, but it just doesn't happen very often," she said. "I think employers simply turn to hiring foreign workers when they can't find Americans with those skills. For all the effort and cost involved, I don't think they would save much by hiring foreign workers."

Kevin Carroll, executive director of the AeA's San Diego council, says that companies use H-1B visas because their work demands it.

"The date just keeps getting earlier and earlier because of the demand," Goodwin said. "If you want to hire someone on one of these visas, you'd better be ready to file your application on April 1."

That process gives HR managers like Phillips fits.

"I have to start looking for people many months before we can put them on the payroll," said Phillips of Peregrine Semiconductor. "I have to get them through the interview process, make an offer and have it accepted before I can start the application process. And I have to get the application in five or six months before these people can even work for us."

"It makes it very difficult on us. You never know when you're going to have a job you can't fill with an American worker. We've had phenomenal growth in our company, but who can predict that and what it will

mean in terms of hiring more workers? Most companies can go out and hire the people they need in 30 or 60 days. But we're faced with recruiting people a year before we can put them on the payroll. A lot of things can happen to a business in that time."

If the H-1B visa is daunting for employers, it is just as troublesome for employees.

Anna Li, a test engineer for Peregrine Semiconductor, has been working in the United States for five years under an H-1B visa. Li is a native of China who obtained a master's degree in electrical engineering there and then immigrated to Singapore.

She first worked for Oni Systems in San Jose, Calif., which wound up merging with a second company and eliminating her job. She then worked for Peregrine Semiconductor before she was laid off, then for one other company briefly before being rehired by Peregrine Semiconductor.

"Each time I go to work for a new company, I have to reapply for the H-1B," she said. "It's frustrating because it takes so long and is so hard. It takes time to complete the paperwork and then you just have to wait."

Li, one of four H-1B visa holders working at the San Diego company, said her visa will expire next April. Two years ago, she applied for nonresident (green card) status that would allow her to work in the United States indefinitely.

"I know many people in similar situations holding master's or Ph.D.s," she said. "We put out an effort that helps these companies, but the government has made it very hard for us to stay in the U.S. I just don't think it should be so painful to work here."

Some foreign-born students in U.S. universities can bide time after graduation by seeking special training visas that allow them to work in the United States for up to a year.



Yet, Michael Hindi, director of international students and scholars at the University of California San Diego, said few students at his school take advantage of those visas, nor do they try to get hired under the visa program.

"At least 80 percent want to go back home," he said. "They may not go back to their own country since they have specialized skills, but they will go back to a country near their home."

The situation is quite different at San Diego State University, said Jane Kalionzes, associate director of the International Student Center.

"We have a large number of our international students in computer science and electrical engineering who stay and go to work," she said.

U.S. Rep. John Shadegg, R-Ariz., thinks that the need for highly educated professional workers from other countries has been lost in the greater immigration debate. That's why in June he introduced his own bill that would loosen hiring restrictions for U.S. companies.

"The long-term solution is to produce students that have the math and science backgrounds American business needs," he

said. "But if we don't have that talent here, can we expect American business not to go to other countries to get it?"

Shadegg's bill, known as the SKIL Act, proposes raising the H-1B visa cap to 115,000 visas per year, with the potential for increases in the year ahead.

"I personally don't think we need caps, but I don't think this kind of legislation can be passed right now without a cap," he said. "I don't have great confidence that an overall immigration bill will be passed this year. That's why we have this stand-alone bill."