



# U.S. CHAMBER OF COMMERCE

The U.S. Chamber of Commerce is the world's largest business federation, representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations. The Chamber's Labor, Immigration & Employee Benefits Division formulates and analyzes Chamber policy in the areas of labor law, immigration, pension, and health care. The division regularly participates in, chairs, and counsels national coalitions to help define and shape national labor, immigration, and employee benefits policy.

### **JUNE 2015**

# **DEAR READERS:**

On September 7, 2001, U.S. Chamber of Commerce President and CEO Tom Donohue testified before the Senate Immigration Subcommittee regarding immigration reform. The expectation of many in the Senate hearing room was that immigration legislation would soon be voted on in the Senate and quickly moved to the House. That timetable of course changed after September 11th, and properly so, while Congress created a new Department of Homeland Security (DHS) and the nation grappled with pressing national security concerns. However, over the ensuing years Congress has been unable to pass immigration reform. There have been many reasons—and much finger-pointing.

This gridlock has been to the detriment of our nation. While one can have good faith disagreement over the details, it is clear that properly structured immigration reforms will both increase the nation's security and promote economic growth. Such reforms need not be contained in one piece of legislation, yet there does need to be recognition that many of these are interlocking and mutually supportive. But doing nothing or moving one massive bill is a false choice. Congress can and should pass several bills that make a down payment toward improving our economic growth and national security. This paper explains and sets out those segments of reform that will reach those goals. It also squarely addresses many of the misconceptions which have characterized the debate surrounding reform.

I would like to thank Amy Nice for her hard work in bringing this project to fruition and that of others on the Chamber team including David Alim, Jon Baselice, Michael Billet, and Walter Mullon.

We are confident that this analysis will prove useful to policy makers as the Congress reengages on these issues.

Sincerely,

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4   RESTRUCTURING THE U.S. IMMIGRATION SYSTEM
"Organizing is what you do before you do something, so that
when you do it, it is not all mixed up."
A.A. MILNE
"Today's scientists wander off through equation after equation,
and eventually build a structure which has no relation to reality."
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NIKOLA TESLA

# RESTRUCTURING THE U.S. IMMIGRATION SYSTEM TO INCREASE SECURITY AND PROMOTE ECONOMIC GROWTH

**JUNE 2015** 

# EXECUTIVE SUMMARY

It is often said, "If it ain't broke, don't fix it." A corollary should be "if it is broken, we must fix it." In recent years there has been a growing awareness among the American public and our representatives in Washington that our immigration system is broken and in need of reform, as leaders of both parties in both houses of Congress have recognized.<sup>1</sup>

The evidence of the dysfunctional immigration system is vast. Millions of undocumented immigrants have resided in the United States for over a decade. Every year, demand for green cards exceeds supply by such an extraordinary margin that unthinkable backlogs are created and further extended. Caps for temporary worker visas, as well as employment-based green cards, are so disconnected from economic demand that employers still report jobs unfilled—with neither U.S. workers nor legal visa holders qualified and available. Foreign students who earn degrees at leading U.S. universities and are poised to contribute their talents, innovations and entrepreneurship to the economy are unable to do so. Instead, each year the United States spends billions of dollars enforcing an immigration system that is increasingly unenforceable. Our agencies are unable to focus on criminal and terrorist threats because our border agents must spend their time apprehending and processing thousands of illegal immigrants.

However, despite years of political debates, immigration reform remains unaddressed and the current system remains broken. This logiam in Congress is due to misconceptions about how immigration impacts the economy and our national security. To address questions of how immigration impacts the U.S. economy, the U.S. Chamber of Commerce (also referred to in this paper as the "Chamber") has played a leading role in educating the public and members of Congress about the economic potential of immigration reform. The Chamber has held briefings for staffers and members, hosted numerous public events with leading economists and business leaders, and authored or co-authored a series of reports on the economic implications of immigration. In 2012, the Chamber co-authored the report, "Help Wanted: The Role of Immigrants in the

1. Speaker of the House John Boehner used the Republican Party's November 2014 mid-term election victories in Congress as a time to turn the focus to an issue he said was long in need of fixing. "It is time for the Congress of the United States to deal with a very difficult issue in our society," he said, "This immigration issue has become a political football over the last 10 years or more. It is just time to deal with it." (John Boehner, November 2014). Rep. Kevin McCarthy, who now serves as the House Majority Leader, has said "We know the system's broken," adding that "We have to move forward. We think it's most important to fix it right, because we don't get to do this very often." (Kevin McCarthy, February 2014). The Senate's Majority Whip, John Cornyn, has made clear "We have a broken immigration system and I am one who would like to fix it." (John Cornyn, September 2014). "No one believes the current immigration system is not broken," Senate Majority Leader McConnell has confirmed. (Mitch McConnell, December 2014). "It's the biggest thing that we can do, and that's why I've said to the speaker, to the press, to these groups, I would rather pass [a] comprehensive immigration reform bill than win the elections in November," House Democratic Leader Pelosi has said. (Nancy Pelosi, April 2014). "It is past time that a nation of immigrants does the right thing and passes immigration reform," the House Democratic Whip Steny Hoyer said this spring. (Steny Hoyer, April 2015). In pushing for the Senate's comprehensive bill in the 113th Congress, Senator Schumer, currently Vice Chair of the Senate's Democratic Conference, said "We're interested in passing a law that changes the awful status quo. ... I hope we all do what we can to show the American people that their lawmakers do still have the ability to solve difficult problems." (Chuck Schumer, June 2013).

Innovation Economy," that aimed to tackle common misconceptions about high-skilled immigrants. A follow up brief, "Immigration Myths and Facts," summarized several prominent economic studies to counter the idea that immigrants take jobs away from U.S.-born workers and burden our tax system. "Open for Business: Spurring Local Economic Growth by Welcoming Immigrants," describes the experiences of state and local governments trying to revitalize their local economies by recruiting more immigrant residents and workers. Finally, a recent report, "Immigrant Entrepreneurs: Creating Jobs and Strengthening the Economy," explored one way immigrants spur economic growth—by creating and owning businesses at higher rates than the population as a whole.<sup>5</sup>

Building upon that research, this report offers concrete reforms to immigration laws that would promote economic growth and create American jobs. This report also addresses misconceptions concerning how immigration and national security interact. Structured properly, immigration reform will enhance U.S. national security. This report proposes various improvements to our enforcement and visa system that would improve border security, the tracking and control of foreign visitors and immigrants in our country, and ensure that all individuals and businesses respect the law.

### **COMPONENTS OF IMMIGRATION REFORM FOR SECURITY AND ECONOMIC GROWTH**

The U.S. Chamber continues to believe in and strongly supports four areas of immigration reform. Together, these four sets of reforms would both enhance national security and promote economic growth.

# 1. Controlling Overstays and the Nation's Borders

In recent years, there has been widespread disagreement about how to best control the nation's borders and determine whether sufficient levels of border security have been achieved. The U.S. Chamber considers it to be critically important to secure the nation's borders and ensure that border communities are safe and continue to be a vital economic engine of trade. Over the last decade, the government has made many needed improvements in border security and in its ability to deter illegal entries at U.S. ports and airports. Still, there is much work to be done. While pursuing immigration reform, our government should continue to build on those improvements—most notably by adding a means to control and dissuade temporary legal immigrants and visitors from overstaying their visas.

<sup>2.</sup> Report by U.S. Chamber of Commerce, Information Technology Industry Council, and Partnership for a New American Economy (November 2011) https://www.uschamber.com/sites/default/files/documents/files/STEM%2520Report%2520901.pdf.

<sup>3.</sup> Report by U.S. Chamber of Commerce (October 2013) https://www.uschamber.com/sites/default/files/documents/files/Immigration\_MythsFacts.pdf.

<sup>4.</sup> Report by U.S. Chamber of Commerce (December 2014) https://www.uschamber.com/sites/default/files/021719\_open\_for\_business\_final.pdf.

Report by U.S. Chamber of Commerce and Immigration Policy Center (January 2012) https://www.uschamber.com/sites/default/files/documents/files/ Immigrant%2520Entrepreneur%2520final%25201-22-2012.pdf.

# 2. Modernizing Legal Immigration

The U.S. Chamber believes that fundamental changes to the structure of the current immigration laws and visa programs are needed. These changes should establish visas for lesser-skilled, non-seasonal workers, and provide adequate visas for highly skilled immigrants as well, particularly U.S.-educated STEM graduates. Such reforms should also create a workable visa that would allow farmers and growers to hire the workers they desperately need. These changes would make the immigration system more responsive to the actual needs of the economy, giving employers an orderly, controlled avenue to hire foreign workers for jobs they would otherwise be unable to fill and reducing the incentives for illegal immigration and unauthorized employment. To keep the system from becoming quickly outdated due to changing workforce needs, caps on visas should be subject to reevaluation and adjustment based on economic realities. A transformed legal flow of immigrant labor, at all skill levels, is fundamental to the ability of the economy to grow.

### 3. Curbing Illegal Employment through an Updated Employment Verification System

The U.S. Chamber has previously opposed mandatory expansion of E-Verify, the voluntary electronic employment verification system run by U.S. Citizenship and Immigration Services, or associated employment verification enforcement systems. Many employers had viewed E-Verify as unworkable, burdensome and unreliable. However, the technical aspects of the E-Verify system continue to improve, allowing the Chamber, after careful vetting with our members, to reassess our position. The Chamber now supports a uniform national policy expanding the use of E-Verify, as long as certain key conditions are met:

- Any law mandating use of the program must include language making it clear that the national E-Verify regulations preempt any similar state and local laws or regulations.
- Any new mandate should keep in place the controlling parameters established by the FAR (Federal Acquisition Regulation) Council for federal contractors' use of the E-Verify program.
- Private employers should not be required to re-verify their current workforce.
- The I-9 process should be integrated into E-Verify so employers would use a single, fully integrated employment verification system, available electronically or by phone.
- Employers should only be required to verify their own direct employees.
- Employers would have a safe harbor for good faith efforts to use the system and verify employment authorization.
- Agricultural employers, including the dairy industry, must have meaningful access to a workable
  program to sponsor lawful workers before being subject to any E-Verify mandate, to protect the safety,
  security and health of the United States food supply.

# 4. Ensuring a Stable Workforce - An Economy without Millions of Undocumented Workers

Tolerating residency by those who enter or remain in the United States illegally cannot continue to be a feature of the U.S. immigration system. There are currently more than 11 million undocumented people living in the United States, and more than 60 percent of the undocumented population has been in the country for more than 10 years. Neither deportation nor self-deportation of such a large, established population is realistic—but finding a solution has been difficult. Acknowledging that there is no precise formula that will address all concerns, a basic structure can be proposed. The Chamber believes that criminal background checks and national security clearances must be completed on all unauthorized immigrants currently in the United States—as is already required of legal immigrants. This would then be followed by a probationary period during which the government would need to continue to improve border control and reduce visa overstays. Undocumented immigrants would then be required to pay a fine and show progress toward English proficiency. The government would also phase-in mandatory electronic employment verification. Only then, and under specified and strict conditions, could qualifying individuals earn legal status.

### **IMPROVING SECURITY THROUGH IMMIGRATION REFORM**

The United States must work to restore the rule of law to its immigration system. To do this, leaders must recognize that border enforcement alone is not enough. No system of border security in the world has ever succeeded in preventing 100 percent of unauthorized entries. As long as significant "push" factors of crime, violence and poverty exist, immigrants will continue to desire to immigrate to the United States. However, the majority of these immigrants do not pose serious threats to the United States such as criminals or terrorists. Most simply wish to work and earn money. Many wish to work only for a period of time and then return to their own countries. Providing more legal visas for these immigrants to enter the country and work when there are not enough qualified American workers to fill vacant jobs, would channel the migrant flow through legal systems where they can be screened and vetted for security threats. Strengthening temporary worker programs and allowing for more circular migration when work is available can also deter long-term unauthorized residence that has been engendered by the increased difficulty of crossing the border.

In addition, more efficient immigration enforcement in the interior of the country can reduce the major "pull" factor that attracts undocumented immigrants to the United States—the ability to gain work without authorization. Mandatory E-Verify, implemented along with reformed visa programs to allow employers, especially agricultural employers, to hire the workers they need, can prevent most unauthorized employment. Electronic employment verification can dry up the market for fraudulent documents that are used to overcome the current employment verification program, and impair the criminal networks that provide them. Changing the way our country deals with individuals who overstay their visas and creating additional efficiencies in the immigration court system will also improve interior enforcement efforts.

The cost of "enforcing current law" by removing the more than 11 million illegal residents in the United States today is prohibitive. Practical alternatives that incentivize undocumented immigrants to register and undergo criminal and security background checks will greatly help law enforcement focus on the remaining criminal element. It will also remove fears in immigrant communities of reporting crime and cooperating with law enforcement, enhancing the public safety of neighborhoods across the country.

### **CREATING ECONOMIC GROWTH THROUGH IMMIGRATION REFORM**

U.S. immigration laws can also boost economic growth, reduce deficits and create jobs if revised to match the needs of the economy. The most fundamental change is to adjust the number of visas available to those coming to work in the United States. By revising outdated caps on high-skilled and lesser-skilled workers, and streamlining visa programs to make them more usable, employers will be able to recruit the workers they need to compete and grow. This includes revisiting the caps for H-2B and H-1B visa programs, creating a new temporary visa program for year-round lesser-skilled workers, and revising the current H-2A agricultural worker program to make it viable for employers and workers.

Congress can also help employers better compete by modernizing the green card system. More green cards should be allocated to skilled immigrants and those coming to America to work. Further, reducing green card backlogs, particularly for nationals of large sending countries that are crucial sources of much-needed talent, would make American companies more competitive in the global marketplace. If the number of green cards issued each year were set by economic need rather than arbitrary static caps, the system would allow more workers when needed and fewer when they are not. There should also be a dedicated green card route for U.S.-educated graduate degree holders, which would allow them to remain in the country for the long term if they have found employment. It makes no sense that our schools invest in the education of foreign students only to send them abroad to enhance foreign competition.

Finally, it is necessary to recognize that the more than 11 million illegal residents currently in the country are not going to depart on their own. Removing such individuals would not only cost more than entire budgets of most federal cabinet departments, but would also have severe economic consequences, including reducing real gross domestic product (GDP) and the size of the labor force at a time when the native-born workforce is aging and shrinking, putting burdens on federal and state entitlement programs and leaving jobs unfilled in the future. A pragmatic solution would allow this population to earn a legal status, encouraging them to pay taxes and fully contribute to the economy.

The continued security and economic health of the United States can be supported by specific changes to the immigration system. Continued inaction will perpetuate the system that currently poses security risks and drags down economic recovery. Congress has the power to make these changes and lead on this important issue for the country.

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# PART I: INCREASING SECURITY THROUGH IMMIGRATION REFORM

Policymakers today list many reasons and excuses as to why they have not yet reformed our immigration system. Most misleading among them is the contention that pursuing immigration reform will somehow reduce public safety or provide avenues that can be exploited by criminals seeking to enter the United States. Improving our immigration system, both by addressing specific border and immigration control challenges and providing enhanced avenues for legal immigration, can make the job of our national security and public safety agencies much easier, thereby only improving security in the long term.

# MORE RESOURCES ARE NEEDED AT THE BORDER, BUT CONTROLLING THE BORDERS WILL ALSO REQUIRE CHANGES TO THE IMMIGRATION SYSTEM

It is clear that the United States must more effectively manage border security. The country must find a way to control illegal immigration—an effort that will involve making changes to homeland security and immigration policy. In fact, all four homeland security secretaries have inherently understood this concept. During their tenures, all of them have been quoted on the record stating that immigration reform is necessary to secure the border and ensure proper levels of homeland security for future generations.<sup>1</sup>

It should be emphasized that, even without immigration reform, the U.S. government has made great progress towards securing U.S. borders. Under the administration of President George W. Bush, the resources devoted to securing the border rose dramatically, and those levels have continued under President Barack Obama.<sup>2</sup> Nevertheless, those accomplishments do not diminish the need to continue to improve the ability to deter future unlawful entry. To drive the content of border security legislation, it will be necessary to find the right formula to improve security while facilitating trade. The U.S. Chamber's view has always been that the experts should drive the content of border security legislation, as long as such legislation does not unnecessarily restrict the legitimate movement of people and goods necessary for trade and commerce. As the Heritage Foundation has said "The border is an economic engine that facilitates trade." That position has been echoed by Senator John Cornyn (R-TX), who has said, the U.S. needs to "find the right balance between public safety and legitimate trade and commerce."

There is more to improving border security than providing more assets at our borders. Other programs, discussed below in Part I, also can support border security.

# REVISED AND EXPANDED TEMPORARY WORKER PROGRAMS WILL ENHANCE BORDER CONTROL EFFORTS

As one 2013 report from the Center for Global Development put it, "One cannot secure the border exclusively at the border; security requires enforcement, but enforcement requires meeting legitimate needs in legitimate ways." Expanding and improving legal temporary worker programs for lesser-skilled workers would enhance U.S. security and border control by creating incentives for people to come here legally instead of illegally. Measures to stop unauthorized migration without creating channels for immigrants and workers to come to the United States to fill available jobs simply will not work. Furthermore, such measures would cut off natural, circular migration patterns that normally would allow seasonal workers to come to the U.S. temporarily and return home when work is unavailable.<sup>6</sup>

"When you try to fight economic reality it is at best an expensive and very, very difficult process, and almost always doomed to failure." <sup>7</sup>

### FORMER SECRETARY OF HOMELAND SECURITY MICHAEL CHERTOFF

These realities have been reflected in the experiences of the last 15 years. Since 9/11, border resources have more than doubled,<sup>8</sup> while the estimated number of unauthorized immigrants in the United States grew steadily from 2001 until the start of the recession in 2008. After a brief drop during the recession, the number of undocumented arrivals has once again begun to increase in recent years as the economy has strengthened.<sup>9</sup> The difficulty immigrants have leaving and coming back for seasonal work opportunities has also encouraged undocumented immigrants to stay for longer time periods. As of 2012, half of all undocumented immigrants had been in the country more than 12 years, up from just 7.4 years in 1995.<sup>10</sup>

Most unauthorized immigrants in the United States came, or remain, for economic opportunity and are working to support their families in jobs that do not require postsecondary education. The failure of policymakers to create any sort of workable, temporary visa program for lesser-skilled—yet equally essential—workers, means that many individuals seeking to come to the United States for jobs that are unskilled, low-skilled, or middle-skilled (referred to collectively as "lesser-skilled" in this paper) have few alternatives but to enter illegally. This provides individuals with criminal records or other factors that would make them inadmissible a way to enter the United States undetected as part of the larger flow of undocumented workers. If individuals were able to enter via legal temporary worker programs, then, as all other legal immigrants do, they would have to satisfy a myriad of requirements concerning their immigration history, criminal history and security risks. This would allow law enforcement agencies at the border to focus attention on those who might be true threats to national security. This strategy of "shrinking the haystack" in the flow across the border to identify the criminal or terrorist threats is currently part of the Department of Homeland Security's border management strategy.

Year	Unauthorized Population (1000s)	Aged 18+ (1000s)	Median Duration of Residency for Unauthorized Aged 18 and Older (years)
2013	11,300	Not available	12.7
2012	11,200	10,400	12.1
2011	11,500	10,700	11.5
2010	11,400	10,400	10.5
2009	11,300	10,300	10
2008	11,700	10,600	9.5
2007	12,200	10,700	8.6
2006	11,600	10,100	8
2005	11,100	9,500	8
2003	10,100	8,650	7.5
2000	8,600	7,150	7.5
1998	7,250	5,950	7.8
1995	5,700	4,600	7.4
	·		

Source: Pew Hispanic Center

As the Coalition for Immigration Security, a group of national security experts, wrote in a submission for a 2006 Congressional hearing:

An appropriately designed temporary worker program should relieve this pressure on the border. We need to accept the reality that our strong economy will continue to draw impoverished job seekers, some of whom will inevitably find a way to enter the country to fill jobs that are available. A successful temporary worker program should bring these economic migrants through lawful channels. Instead of crossing the Rio Grande or trekking through the deserts, these economic migrants would be interviewed, undergo background checks, be given tamper-proof identity cards and only then be allowed in our country....<sup>15</sup>

Today, however, the existing visa programs for lesser-skilled workers are either inadequate or non-existent, creating or facilitating a de facto black market that promotes both undocumented immigration and illegal employment. Increased violence against immigrants in border communities is a direct result of increased border enforcement that has driven would-be legal immigrants into the hands of criminal networks.

Significant reform of temporary worker programs for lesser-skilled workers would create a legal alternative to the current unauthorized flow of undocumented immigrants. This would allow criminals and terrorist threats to be screened out, while also stemming demand—and choking off illicit funds—for criminal enterprises that thrive off human trafficking and extortion, making border communities safer for residents and immigrants.

# Lack of Any Visas for Lesser-Skilled Year-Round Workers Exacerbates Illegal Immigration

Current immigration law provides no temporary visa category for lesser-skilled workers to legally enter and work in year-round positions. While visas exist for temporary workers in agriculture (H-2A) as well as non-agricultural workers coming to fill seasonal labor gaps in fields like hospitality and leisure (H-2B), other industries are out of luck. This means that employers in industries such as construction, retail, restaurants and light manufacturing have no way to bring in year-round workers when they are unable to find Americans to fill jobs.

This failure is striking in light of predictions that the U.S. will lack enough native-born workers to fill lesser-skilled jobs in the coming years.

The continued growth in these jobs, coupled with the challenges U.S. employers have in filling them, perpetuates the "pull" factor of employment for illegal immigrants. Failing to provide any legal avenue for employers to hire foreign workers on visas for these jobs only ensures the continuation of the cycle of unlawful immigration and unauthorized employment.

# Reforms of Agricultural Worker Visas Can Reduce Illegal Immigration and Ensure Food Security for Americans

The H-2A visa permits employers to bring in foreign-born workers for seasonal jobs in agriculture. The H-2A category is uncapped; there is no maximum number of workers that can be sponsored in any given year. However, the category remains seriously underutilized, resulting on average in the issuance of only about 62,000 H-2A visas each year. It is hard to know how many temporary agricultural workers are present or needed in the economy, but there is no disagreement that the demand for temporary agricultural workers far exceeds the current H-2A utilization. Some researchers who have studied agriculture workforce issues estimate that between 1.1 million and 1.5 million of the country's 2 million farm workers are in the United States illegally. In the country is a million farm workers are in the United States illegally.

The Bureau of Labor Statistics (BLS) forecasts that between 2012 and 2022, low- and mediumskilled jobs that cannot be mechanized or outsourced will see the highest number and percentage of job growth in the United States. Some of these jobs, like home health care aides, have already been identified as occupations where sufficient numbers of interested American workers have been hard to come by. <sup>19</sup>

**BUREAU OF LABOR STATISTICS AND CENTER FOR GLOBAL DEVELOPMENT** 

Occupation	Growth Rate 2012-2022 (%)	Growth in Jobs (in 1000s) 2012- 2022
Personal Care Aides	48.8	580.8
Home Health Aides	48.5	424.2
Medical Secretaries	36	189.2
Physical Therapist Assistants	40.1	29.3
Brickmasons/Blockmasons	35.5	25.2
Nursing Assistants	21.1	312.2
Childcare Workers	14	184.1
Construction Laborer	24.3	259.8

Source: Bureau of Labor Statistics and Center for Global Development

The underuse of the H-2A visa is not due to an artificial cap. Rather, the low number of H-2A visas reflects serious administrative problems with the operation of the program. Nearly three-quarters of growers that use the H-2A program report that sponsored workers cannot be brought in by the date they are needed. On average, workers arrive 22 days late—a critical delay for an industry that is highly dependent on the weather. Significantly, the H-2A requirements also do not provide portability. This keeps workers from being able to work on multiple farms during the period of their stay, making the program unworkable for growers with particularly short harvests. <sup>20</sup> In addition, dairy farms are excluded from the H-2A program altogether, as they do not meet the definition of either agriculture or temporary or seasonal need.

These inadequacies create a strong national security risk. As discussed above, when workers enter through unauthorized channels, there is no screening for criminals or others who should otherwise be denied entry. Furthermore, the dependency of a strategic U.S. industry like agriculture on an unauthorized—and therefore unstable—workforce makes the food supply vulnerable. As James Holt, an agricultural and labor economist, has testified, "The status quo—a U.S. agricultural industry almost completely dependent on unauthorized workers who have entered the U.S. illegally—is untenable. It is equally clear that [moving] U.S. production of food and fiber [abroad] is untenable."<sup>21</sup> In fact, in part due to domestic labor shortages, imports of fresh fruits and vegetables have made up a larger share of American consumption just in the last decade, to over one quarter of the total.<sup>22</sup> Increased imports of fresh food carry the higher risk of also importing foreign agricultural pests that could destroy domestic crops and cause food-borne illnesses. The United States will continue to place fundamental parts of the national economy and access to safe food at risk if policymakers fail to address the urgent need for a better agricultural worker visa.

# The Current Seasonal Visa Program for Non-Agricultural Workers Continues to Be Plagued by Insufficient Caps and Cumbersome Regulations

While there is no temporary program for year-round lesser-skilled work, some employers can use the H-2B visa program to bring in seasonal workers. Seasonal businesses rely on H-2B workers to fill temporary vacancies in fields including seafood harvesting and processing, horse training, hospitality and amusement parks, forestry, landscaping, golf courses, circuses, carnivals, food concessionaires, swimming pool maintenance, stone quarries, and other industries that need so called "lesser-skilled" workers, those with less than a college education.

However, the H-2B category is capped at 66,000 a year and the visa may only be used if an employer can prove that it does not have a year-round need for the type of worker in question.<sup>23</sup> The annual cap of 66,000 visas is divided in half, allowing two six-month filing periods for 33,000 visas each year. In non-recession years, this cap is nearly always met very early, meaning that the visas are often gone before many employers' busy seasons begin. For example, in the current fiscal year, the cap was reached in March 2015, leaving thousands of summer seasonal employers in industries such as tourism and hospitality scrambling for workers.<sup>24</sup>

It has become increasingly difficult for employers in these industries to find sufficient numbers of Americans to fill temporary, seasonal jobs. While in the past many of these jobs would be filled by U.S.-born adults who had not completed high school, today, many more adults are high school graduates. In 1950, more than half of the U.S.-born working population had not completed high school. Today, the share of U.S.-born workers without a high school diploma is only around 12 percent. With fewer native-born workers possessing only a basic education—who are the most likely to be interested and available for temporary, seasonal jobs—the trend of lesser-skilled immigrant workers willing to fill different jobs than lesser-skilled, U.S.-born individuals makes this program all the more critical for many employers. Which is program as a sufficient possessing only a sufficient poss

Without access to H-2B workers, seasonal businesses are left without any legal means to hire workers after exhausting their efforts to recruit American workers. Over the last six years, the H-2B program has been mired in ongoing litigation, debates, and appropriation riders about the role Congress envisioned for the Department of Labor (DOL) and the Department of Homeland Security (DHS) in developing H-2B policy.<sup>27</sup> If employers facing busy seasonal and peak needs cannot find sufficient U.S. workers and do not have access to legal temporary workers, some may turn to unauthorized workers to meet their businesses' demand. This act of last resort further perpetuates the lack of accountability in the current immigration system and worse, it creates an uneven playing field for those playing by the rules.

# IMPROVEMENTS IN IMMIGRATION ENFORCEMENT IN THE UNITED STATES CAN BENEFIT SECURITY

Improved border control and expanded legal immigration programs will do much to help better secure the border and reduce unauthorized immigration inflows. However, this is only part of the picture. Smart and fair immigration enforcement within our borders also needs to be an integral piece of the immigration system. Ensuring that those working are only those who are lawfully eligible for employment in the United States as

well as discouraging people from overstaying their visas will help deter future unauthorized migration. Such policy changes can also prevent abuses of the immigration system by unscrupulous employers while disrupting the criminal networks that provide undocumented immigrants with false documents.

# A Properly Structured Employment Verification System Can Reduce Unauthorized Employment, but Only if It Is Workable for All Employers and Visa Programs Are Reformed

Improving the nation's employment verification system is critically important to future interior enforcement efforts. As discussed earlier, the ability to work in the United States is a significant magnet for unauthorized immigration. As early as 1981, the Select Commission on Immigration and Refugee Policy created by President Jimmy Carter recommended that employers be required to verify their workers for this reason. The Commission also suggested civil penalties for those who employ unauthorized individuals.<sup>28</sup> Today, however, the lack of a visa for year-round lesser-skilled workers and the problems with the H-2B and H-2A programs discussed in detail above continue to undermine verification efforts. Many immigrants seeking such jobs are left with few other options other than to migrate illegally, and employers desperate for workers will knowingly or unknowingly hire them.

The current employment verification system was enacted in the 1986 Immigration Reform and Control Act.<sup>29</sup> The Act required employers to fill out an I-9 form to verify the employment authorization documents presented by workers. From early on, however, this program was vulnerable to fraudulent documents and some employers simply chose not to comply. The advent of what would become the voluntary E-Verify program in 1996 provided an electronic employment verification system for employers designed to reduce document fraud. However, this has done little to streamline the process. Even if an employer chooses to use E-Verify to check workers' authorizations, they are still required to complete an I-9 form. Since the government does not provide an electronic "smart I-9" form to employers, most I-9 forms are completed on paper. This unwieldy system along with the current voluntary nature of E-Verify is not enough to ensure that undocumented immigrants are kept from finding work in the United States, resulting in the existence of a large criminal industry that supplies fraudulent documents to undocumented immigrants looking to circumvent the system.

In the past, the U.S. Chamber has staunchly opposed the expansion of E-Verify.<sup>30</sup> However, in light of recent improvements in E-Verify, its increased use by federal contractors, and the belief that employment verification is an essential component for any future immigration reform, the U.S. Chamber reassessed the program. The U.S. Chamber's Immigration Subcommittee created an E-Verify Task Force in January 2011 to evaluate the Chamber's position on whether—or how—E-Verify should be expanded. Participating members stated that the E-Verify system has been greatly improved and, while not perfect, could be workable with specific, important legislative protections and changes as well as continued technical improvements. As a result, the U.S. Chamber now supports mandating a single, national policy regarding employment verification as part of broader immigration reform.31

If removing the "pull" factor of jobs for unauthorized workers is key to making the immigration system functional, the employment verification system must be feasible for employers around the country of all sizes, in all industries, and across business sectors. The Legal Workforce Act<sup>32</sup> introduced in the House of Representatives in the 112th, 113th, and 114th Congresses would help achieve that, although further improvements to the bill should be made. If the electronic employment verification system is mandated for universal use but is not eminently practicable, it will not serve our national interest and no reasonably anticipated amount of enforcement could ensure otherwise.

Further, there are key industries, including agriculture, that currently rely on the unauthorized workforce. Before the government implements an improved employment verification system, it must first provide some sort of legalization of status and reformed visa program for the current and future agricultural workforce. This would ensure that any interior enforcement effort is not seriously detrimental to U.S. farmers and the nation's food safety.<sup>33</sup> In sum, the Chamber supports E-Verify as long as concerns about its impact on employers and its usability by all employers are addressed.

# Reducing Overstays and Improving Efficiency in Interior Enforcement Can Restore Integrity to the Immigration System

The second major function of immigration enforcement is an interior enforcement policy that deters visa entrants from violating the terms of their status or remaining after their visa has expired. Such "overstays" account for a large portion of the undocumented population. The Pew Research Center estimated that between 38 and 45 percent of the undocumented population in the country had overstayed valid visas or entry cards.<sup>34</sup> Our current system does not have mechanisms to identify and remove these individuals efficiently. As a result, people who overstay their visas are easily able to become part of the overall undocumented population. There have been many efforts both by Congress and the Executive branch to address interior enforcement. Some have been very controversial, impacting state and local law enforcement as well as many immigrant communities. However, the Chamber believes there are practical, uncontroversial ways to address interior enforcement—and overstays in particular. These reforms would increase the efficiency of interior enforcement without some of the significant unintended consequences of other reforms.

1. Exit Data Collection – The first step in deterring overstays is having data on when individuals depart the country. However, although originally mandated in 1996, the United States still does not comprehensively track exit data on individuals. Since no mandate to collect departure data existed before to 1996,<sup>35</sup> U.S. ports of entry—whether sea, land, or air—have largely been built without regard to these requirements. This fact places practical restrictions on how exit data collection systems could be implemented and requires that any future policies take into account the need to invest in port infrastructure and address impacts on the flow of legitimate travel and trade. Proposed control programs must be based on: successful testing and pilot programs before implementation, sufficient government staffing and infrastructure funding to minimize costs to the private sector, an assessment of whether or when biographic data can be used instead of biometric data, and whether information sharing as is done successfully on the northern border can be a southern border strategy as well.<sup>36</sup>

- 2. Streamlined Removal of Visitors that Overstay Once overstaying individuals are identified, current processes of removal for overstays can be long and drawn out. Congress could adopt a streamlined procedure for administrative removal of overstays in the B-1 and B-2 visa categories—the visitor visas for those coming for business and pleasure, which have long accounted for the majority of all overstays.<sup>37</sup> Such provisions already apply to all visitors who enter under the Visa Waiver Program.<sup>38</sup>
- 3. Metrics The use of specific performance benchmarks would be likely to help assure a high level of overstay enforcement over time. Congress could select focused performance metrics<sup>39</sup> that are likely to lead to actual removals, while leaving the agency sufficient flexibility to adjust approaches and experiment.
- 4. Surrender for Removal Currently, once a final order of removal is issued, a further notice must be provided by U.S. Immigration and Customs Enforcement (ICE) before visitors formally leave an unnecessary step that weakens the ability of the government to enforce final deportation orders. Congress could eliminate this second notice, 40 especially if accompanied by steps to facilitate the targeted use of civil or criminal penalties for those who fail to surrender or otherwise depart.
- 5. Enhanced Court Resources One major practical obstacle to effective enforcement is the considerable period of time that can elapse between initiation of removal proceedings and the availability of a final and enforceable removal order from an immigration court or the Board of Immigration Appeals.<sup>41</sup> This occurs because Congress does not fund or mandate a sufficient number of judges and law clerks to conduct hearings and issue decisions, a policy that should be changed. 42

Changes such as these can improve the efficiency of immigration enforcement and help restore the rule of law to the immigration system.

# PRACTICAL SOLUTIONS TO THE STATUS OF THE UNAUTHORIZED MUST BE **CONSIDERED TO ENHANCE SECURITY AND PUBLIC SAFETY**

Perhaps the most difficult issue to be addressed is eliminating residency for those that enter or remain illegally as an ongoing characteristic of our immigration system. There are more than 11 million undocumented people residing in the country, including more than 7 million people in the workforce—a group that appears unwilling to engage in self-deportation despite increased enforcement efforts by the federal and state governments. 43 The sheer size of this group creates uncertainty for a large number of "mixed status" families, most notably the millions of U.S. citizens who are married to or are the children of undocumented immigrants. It also directly impacts the communities in which they live, as well as their employers. Undocumented immigrants are more vulnerable to exploitation by unscrupulous employers and criminals because of their fear of removal. Employers who knowingly hire undocumented workers and pay lower wages also unfairly compete with employers who follow the law.

Persistent unauthorized immigration also presents a significant public safety and national security challenge. Those who enter without authorization have not been subject to the required criminal and security screenings required for legal entry to the United States. The need to avoid law enforcement, which could result in removal, results in communities that are hesitant to report crime, creating areas that can be easily exploited by criminals. Furthermore, the sheer number of unauthorized immigrants means that detecting and deporting those relatively few who do commit crimes becomes a significant challenge.

However, it is unlikely that the United States will devote the resources necessary to remove the entire undocumented population or be able to do so in any reasonable period of time. The center-right policy institute American Action Forum estimated the cost of removing the entire undocumented population at over \$419 billion. This includes the costs of apprehension (\$43.5 billion), detention (\$34.7 billion), legal processing (\$13.4 billion), transportation (\$11.3 billion), and the 20 years of enforcement required of federal immigration officials (\$315.7 billion). All together the cost to deport the undocumented population adds up to more than the entire combined operational budgets of the DHS (\$55.3 billion), the State Department (\$59.5 billion), the Department of Education (\$71.9 billion), and the Department of the Treasury (\$110.3 billion).

FIGURE 3: COST OF REMOVING THE UNDOCUMENTED POPULATION



Source: American Action Forum

Accepting that our national security requires ending the illegal residency of millions of undocumented foreigners, Congress must look for pragmatic, cost-effective, and controlled ways to address this population. Most fundamentally, creating a process where each illegal immigrant is incentivized to come forward and either successfully complete a security and criminal background check or be removed would allow law enforcement agencies to better focus resources on public safety and true security threats.

# SUMMARY—PRACTICAL, CONCRETE IMMIGRATION REFORMS CAN IMPROVE SECURITY, SECURE THE BORDER AND STRENGTHEN IMMIGRATION ENFORCEMENT

The U.S. Chamber recognizes that even with adequate funding and willingness from leaders to take tough actions, efforts to enforce and improve our immigration laws will remain unsuccessful as long as our law enforcement tools and visa programs remain impractical and unworkable. While Congress continues to debate adding more resources to the border, improving security through reforming the legal immigration system may be the most cost-effective way to reduce unauthorized immigration. Interior enforcement, combined with a strong E-Verify program, and appropriate visa programs can reduce the incentives for unauthorized migration and channel those coming to work into legal programs where they can be screened and vetted.

# PART II: PROMOTING ECONOMIC GROWTH THROUGH IMMIGRATION REFORM

While improved national security will be an important effect of immigration reform, the primary benefit of reform will be its impact on our economy. The two issues, however, are not unrelated. National security experts long have recognized that a country's national security is dependent on the strength of its economy.<sup>46</sup>

As the United States continues to recover from the economic downturn, poll after poll shows that the American people believe that creating jobs and improving the economy are among the most important issues facing our country. Fixing our broken immigration system will create more jobs and opportunities for all Americans. The national interests of the United States would be well served by an immigration policy that better reflects the real and evolving needs of our economy.

As this section shows, an immigration system more responsive to our economic needs could have real economic benefits—spurring job creation, raising per capita gross domestic product (GDP), and improving the ability of our economy to support the retiring Baby Boomer generation.<sup>48</sup>

"Immigration spurs economic growth in two ways. First, it expands America's workforce and encourages more business start-ups. Second, because immigrants' educational backgrounds typically complement, rather than displace, the skills of the native-born labor market, immigration increases economic efficiency by supplying more labor to low and high-skill markets." <sup>49</sup>

### FORMER DOL CHIEF ECONOMIST DIANA FURCHTGOTT-ROTH

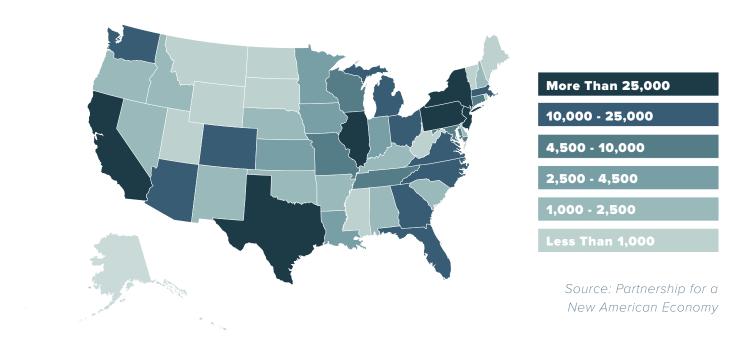
# **IMMIGRANTS OF ALL SKILL LEVELS SPUR JOB CREATION**

Research has repeatedly shown that immigrants at all skill levels spur job creation for native-born workers. The American Enterprise Institute (AEI) and the Partnership for a New American Economy (PNAE), for instance, found that every time 100 additional less-skilled, legal, non-agricultural workers are admitted to a given state, 464 jobs are created for U.S.-born workers there in the seven years that follow.

High-skilled workers were also found to have significant job creating effects for native-born U.S. workers. The same AEI/PNAE study found that for every 100 additional high-skilled H-1B workers, 183 jobs are created for native-born workers in the same state. Policymakers wanting to create more jobs, the study concluded, should make "available more temporary visas for both skilled and less-skilled workers." <sup>50</sup> If the H-1B program were to be expanded by just 10,000 visas, some economists estimate that the impact in the first year will be sizeable increasing total U.S. employment by 227,000 jobs and the country's GDP by \$22 billion. If the H-1B program added 40,000 additional visas, 1.3 million new jobs would be created within 30 years and GDP would grow by \$158 billion.51

In fact, because H-1B workers often bring with them highly specialized skills, they fill jobs that would otherwise remain unfilled, helping employers keep and grow their operations on U.S. soil—creating jobs not just for the foreign workers, but the U.S.-born managers, HR staff, and engineers that support them. Researchers have estimated that the new H-1B visas awarded from 2010 to 2013 will create more than 700,000 new jobs for U.S.-born workers by 2020. That includes a meaningful number of positions in every U.S. state, including more than 20,000 positions created in Michigan and Pennsylvania, two Rust Belt states particularly hard hit by the recent recession.<sup>52</sup>

FIGURE 4: BY 2020, THE H-1B VISAS AWARDED FROM 2010 TO 2013 WILL HAVE CREATED A **MEANINGFUL NUMBER OF JOBS FOR U.S.-BORN WORKERS IN EVERY STATE** 



# IMMIGRATION SUPPORTS PER CAPITA GDP GROWTH, REDUCES BUDGET DEFICITS, AND SPURS HOUSING DEMAND

In addition to research demonstrating that immigrants create jobs for U.S. workers, there is wide consensus from economists that immigration has a positive effect on overall economic growth. Immigration helps the economy grow in two ways: as consumers, immigrants increase the demand for products and services, creating jobs for workers in those industries; as employees and innovators, immigrants also often help companies expand and add more jobs.

Immigrants are dynamic and adaptive, just like the U.S. economy. "They don't just magically appear on our shores; they are incentivized to come here. If there are few job opportunities then fewer immigrants will come. Once here, immigrants increase production and demand for goods and services." <sup>53</sup>

### **CATO INSTITUTE**

A 2013 American Action Forum (AAF) report released prior to the Senate introduction of a comprehensive immigration bill—and thus not tied to any of the provisions of that bill—examined the impact that immigration reform could have on the U.S. economy. The authors found that "in the absence of immigration, the population and overall economy will decline as a result of low U.S. birth rates. A benchmark immigration reform would raise the pace of economic growth by nearly a percentage point over the near-term and raise GDP per capita by over \$1,500."<sup>54</sup>

"Any discussion of immigration reform that omits the benefits on economic performance is incomplete." 55

### FORMER CBO DIRECTOR DOUGLAS HOLTZ-EAKIN

Similarly, a 2013 report by the Bipartisan Policy Center found that an immigration reform package similar to the 2013 immigration bill that passed the Senate would cause GDP to grow, with the positive economic effects increasing with higher levels of immigration.<sup>56</sup>

In addition, because immigrants tend to start businesses at high rates, they contribute greatly to the vitality and growth of communities. A 2015 study by the Fiscal Policy Institute and Americas Society/Council of the Americas found that "while accounting for 16 percent of the labor force nationally and 18 percent of business owners, immigrants make up 28 percent of Main Street business owners—the shops and services that are the backbone of neighborhoods around the country." The same study found that from 2000 to 2013 immigrants were responsible for all the net growth in the number of main street businesses nationally.

# FIGURE 5: IMMIGRANTS AS A SHARE OF LABOR FORCE, BUSINESS OWNERS, AND MAIN STREET BUSINESS OWNERS

**Share of Population: 13%** 

Share of Labor Force: 16%

**Share of Business Owners: 18%** 

Share of Main Street Business Owners: 28%

Source: Fiscal Policy Institute and Americas Society/Council of The Americas

Immigration reforms also promise to reduce federal deficits. A 2013 Bipartisan Policy Center report found that immigration reform could reduce federal deficits by \$1.2 trillion over 20 years. The same year, the AAF estimated a cumulative federal deficit reduction of over \$2.5 trillion as a possible result of immigration reform. The July 3, 2013 Congressional Budget Office cost estimate of the comprehensive Senate immigration reform bill that passed in the 113th Congress projected that it would lead to \$135 billion in deficit reduction in the first nine years, with an additional \$685 billion expected during the nine years following.

Finally, immigrants play an important part in the growth and stability of our housing markets. As Jacob Vigdor, a professor of economics at the University of Washington stated, "Immigrants in many parts of the country play a valuable role maintaining—and increasing—housing values. This is because immigrants often move to areas formerly in decline." A report Vigdor authored for the Partnership for a New American Economy and the Americas Society/Council of the Americas in 2013 quantified that impact, finding that immigrants contributed \$3.7 trillion dollars to U.S. housing wealth from 1990 to 2010. He also found that the addition of 1,000 immigrants to a given county corresponded to an additional 270 additional nativeborn residents there during the same period. Immigrants play a key role in filling vacant housing units and investing in those communities, in turn helping to raise the value of their housing and attracting more residents.

# **IMMIGRANTS DO NOT HARM WAGES NOR TAKE AWAY JOBS FROM U.S. WORKERS**

Arguments against immigration reform tend to focus on the extent to which immigrants "depress wages of U.S.-born workers" or "take jobs from Americans." However, studies have repeatedly shown that the exact opposite is true. While detractors of immigration rely on the simplistic models of "supply and demand"

taught in foundational economics courses, the labor market dynamics at work in our economy are vastly more complex. Cato Institute researchers recently discussed the phenomenon, emphasizing that the supply of jobs is not a fixed number to be divided up among Americans. Rather, free enterprise leads to jobs being created and lost on an ongoing basis as the number of workers and consumers increases. As the authors concluded, "the theory that the supply of workers is the prime determinant of wages ignores much." What's more, by boosting innovation and filling critical positions, immigrants are often able to actually raise—or at the very least, hold stable—the wages of U.S.-born employees at the places where they work.

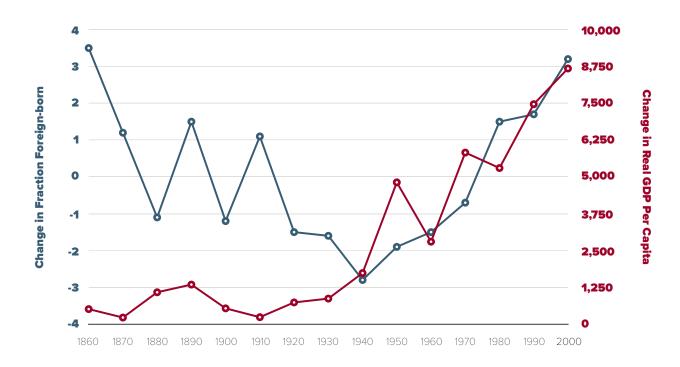
"When immigration reform is done right, it will use the fact-based reality that immigrants of all skill levels are good for the native economy, including wages, jobs, and economic growth." 63

### **HOOVER INSTITUTION**

Rebutting arguments that growth in immigration has resulted in middle-class contraction, Doug Holtz-Eakin has written that the per-capita GDP (a measure of the standard of living) has never fallen, regardless of the number of foreign-born individuals in the country and further, there is no correlation between the two sets of data.<sup>64</sup>

Contrary to the argument that immigration harms less-skilled Americans and drives down wages,<sup>65</sup> the Congressional Research Service (CRS) noted that the coincidence of two sets of data does not amount to a causal relationship, when recently asked by a Senator to graph the average income of the bottom 90 percent of U.S.

FIGURE 6: STANDARD OF LIVING AND THE FOREIGN-BORN POPULATION



Source: American Action Forum

tax filers and the share of the U.S. population that is foreign-born. CRS explained, "It bears noting that a causal relationship between two variables—whereby change in one variable causes change in another variable in a systematic or consistent manner—cannot be determined through a simple graphic representation. As such, the CRS is unable to draw any conclusions or determine any relationship between two variables by virtue of those variables being presented together in a graph."

Other studies that have used historical data to look at the relationship between immigrants and wages have also similarly disproved the argument that foreign workers depress wages. For example, a recent study from the center-right Niskanen Center found that the U.S. workforce did not experience lower wages during periods when it absorbed large numbers of new workers. From 1948 to 1980, the labor force grew by 78 percent, fueled mostly by large numbers of women and baby boomers joining the workforce. Yet, median income during this period shot up by 80 percent. From 1980 to 2013, on the other hand, the labor force grew much more slowly at 43 percent (even with immigration), and wage growth was also considerably slower, increasing by just 8 percent for men and 55 percent for women during the period. These results are the exact opposite of what would be predicted from a basic labor supply and demand model. When the workforce was growing rapidly, wages rose, and when the workforce grew more slowly, wages declined. Further, the report showed that during the period of slow growth from 1980 to 2013, immigrants were not supplanting U.S. workers—instead, they were helping the labor force better replace and replenish itself as the workforce aged and grew more slowly.<sup>67</sup>

In fact, most research exploring the effect immigrants have on wages finds that the immigrant population as a whole has little impact on the wages of U.S.-born workers, and that when they do have an impact, it is generally small but positive. Some studies even show wage increases for all in cases where immigrants may be in direct competition with some U.S.-born workers, such as with high-skilled immigration. Economists have found that a one percent increase in a city's foreign-born individuals working in the science, technology, engineering, and math (STEM) fields directly led to an increase of about 7 to 8 percent in the wages of U.S.-born college-educated workers in that city over the following two decades. The wages of non-college educated workers went up as well, growing by 3 to 4 percent during the same period.

Opponents of immigration also claim that immigrants take jobs from American workers. This too is a fallacy based on a failure to understand the extent to which the U.S. economy and U.S. workers are able to adjust to the introduction of new immigrants. A seminal study by the Cato Institute in 2009 found that "[a]dditional low-skilled immigration would not increase the unemployment rates of low-skilled U.S. workers." The authors said that while their model showed that in the long term fewer U.S.-born workers would be employed in lesser-skilled occupations, it did not mean that unemployment rates for those workers would rise. As they explained, "With increases in low-skilled immigration, the U.S. economy would expand, creating more jobs in higher-skilled areas. Over time, some workers now in low-paying jobs would move up the occupational ladder, actually reducing the wage pressure on low-skilled U.S. workers who remain in low-skilled jobs."

Concern about job displacement on the high end of the skill spectrum is equally misplaced. The H-1B high-skilled visa program is comprised mostly of individuals working in STEM fields.<sup>72</sup> These STEM jobs are some of the occupations that the Bureau of Labor Statistics predicts will be the fastest growing in the coming decades, and the most in need of more workers.<sup>73</sup>

In manufacturing, it is estimated by 2020 that there will be a 15 percent increase in the shortage of engineers and a 9 percent increase in the shortage of research scientists. <sup>74</sup>

### THE MANUFACTURING INSTITUTE OF THE NATIONAL ASSOCIATION OF MANUFACTURERS

In some states across the country, real shortages already exist. A report by Change the Equation, a business group trying to increase America's pipeline of STEM students, found that from 2009 to 2011, 1.9 STEM vacant jobs were posted online for each unemployed STEM worker in the country. In some states, the number of vacant STEM jobs posted for each unemployed STEM worker was far higher—reaching 4.8 in Nebraska, 3.8 in Wyoming and 3.1 in Missouri. From 2004 to 2014, the percentage of all bachelor's degrees awarded in STEM fields grew only two percent for men and one percent for women.

Interestingly, employment growth in positions requiring graduate level STEM training is exploding, far outpacing the U.S. STEM training pipeline of native-born students. During the period between the 2002-2003 academic year and the 2011-2012 academic year, the Government Accountability Office found that 23 percent of graduate degrees earned by foreign students were in core STEM fields, compared to just 2 percent of graduate degrees earned by U.S. citizens and green card holders.<sup>77</sup> Because of the slow growth in STEM graduate education by U.S. workers, by 2018 there will be almost 230,000 advanced degree STEM jobs that the U.S. workforce will be unable to fill.<sup>78</sup>

Of course, there is wide agreement that the first focus for meeting these needs should be developing a STEM pipeline of U.S. workers.<sup>79</sup> Simultaneously, though, the business community needs to fill open jobs for which Americans are not available,<sup>80</sup> and recognizes that foreign-born STEM professionals can help meet that need.

### CHANGES TO THE IMMIGRATION SYSTEM CAN REALIZE ECONOMIC BENEFITS

Specific legislative changes to our immigration system can help the country gain the economic benefits described above. In fact, many of the same changes discussed that support national security will also boost economic growth and job creation. How those economic benefits can be achieved is outlined below.

# Demographic Challenges Can be Eased by Immigration Reform

The United States faces well-documented demographic challenges.<sup>81</sup> The senior population of the United States is growing faster than at any time during the century. Each day 10,000 more people reach the age of 65.<sup>82</sup> The retiree population is expected to more than double between 2012 and 2060, from 43.1 million to 92 million as the Baby Boomers retire. In addition, birthrates among native-born U.S. citizens are below replacement levels (2.1 children per mother). In 2015, it was estimated that the typical woman in the U.S. during her lifetime would

"Using the narrow government definition of STEM 'occupation' favored by critics would likely exclude every American recipient of the Nobel Prize in the past 100 years who worked as a professor, which would be classified as a postsecondary teacher using Census data, and the CEO of Apple, since management positions typically do not count as a STEM occupation under government classifications." <sup>83</sup>

### **NATIONAL FOUNDATION FOR AMERICAN POLICY**

### FIGURE 7: DEFINING STEM FOR THE IMMIGRATION DEBATE

# DEFINING STEM <u>JOBS</u> — ONLY THOSE JOBS REQUIRING A BACHELOR'S DEGREE OR HIGHER

More than 35 percent of the positions that are classified as STEM jobs in the United States economy—and about half of the computer and information technology jobs—require less than a bachelor's degree. B4 Therefore, to compare levels of unemployment in STEM fields with the numbers of H-1B workers while including these non-degree jobs is like comparing apples to oranges.

# DEFINING STEM FIELDS OF EDUCATION - MOST GOVERNMENT DATA INCLUDES THE SOCIAL SCIENCES IN STEM, INCLUDING ANTHROPOLOGY RESEARCH

The National Science Foundation (NSF) includes the social sciences in all of its STEM data, as does much of the literature, which draws on NSF data and reporting. NSF divides STEM among individuals earning degrees in computer and mathematical sciences; biological, agricultural, and environmental life sciences; physical and related sciences; engineering sciences; and social and related sciences.85 Research that "builds fundamental knowledge of human behavior, interaction, and social and economic systems, organizations and institutions"86 is certainly important, and includes such fields as psychology, anthropology, geography, political science, economics, and sociology.87 However, such fields are not generally part of the STEM immigration debate.

# DEFINING STEM <u>EMPLOYMENT RATES</u> — WORKING IN MEDICINE OR LAW OR MANAGEMENT IS NOT CONSIDERED STEM EMPLOYMENT IN MUCH OF THE GOVERNMENT DATA

Critics of high-skilled immigration reform frequently mischaracterize research regarding the employment of U.S.-born STEM workers to support their arguments. In 2014, the Census Bureau identified that only about one-quarter of STEM grads are employed in STEM fields. However, this data collection made no accounting of STEM graduates that use quantitative skills and their STEM degree in high paying jobs in medicine, law, business or management. For example, under the Census Bureau definitions, an individual with a chemistry degree who becomes a physician is a STEM grad not employed in STEM because the practice of medicine is not considered a STEM field. In 2013, the U.S. Census Bureau found that more than one out of five U.S. STEM graduates who was not employed in a core STEM field was working in a managerial or business position, lucrative positions often directly related to their degree, and that more than one in eight STEM graduates were working in healthcare

-including 594,000 who were working as physicians.

Another 522,000 were considered outside of STEM but working in academia—teaching at U.S.

universities, educating the next generation of STEM workers. 91

have 1.9 or fewer children. This rate is projected to fluctuate but continue the below replacement level trend that has been in place beginning in 1972, meaning new births will be fewer than deaths in the population. America is—and is increasingly becoming—much older than ever before. From 2004 to 2014, the annual growth rate for the population 55 and older was 4.1 percent, more than four times the rate of growth of the workforce. By contrast, during the same time the annual growth rate for those aged 25 to 54 years old (the prime working-age population) was 0.3 percent. By 2056, for the first time in United States history the older population (age 65 and over) is projected to outnumber the young (age under 18).

These demographic shifts will put increased stress on entitlement programs such as Social Security and Medicare. In 1950, each Social Security retiree's benefit was supported by 16 workers. By 2035, the ratio of workers to retired beneficiaries is projected to drop to two workers for every one retiree. Between 2005 and 2050, the ratio of children and elderly people to working age adults is projected to increase by over 22 percent. The number of children and elderly compared with the number of working-age Americans (the "dependency ratio") has always been replenished in our country by immigration. In fact, it is only because of our history of immigration that the United States is not facing the even direr demographic situation of other developed nations, including Japan, Russia and China.<sup>92</sup>

# Unrealistic Fixed Numerical Caps Are Out of Step with the Economy

Modernizing our immigration system to counteract these demographic effects and benefit our economy requires revisiting visa programs that have fixed, unchanging caps. Immigration helps the economy by expanding the workforce and enabling businesses to thrive. However, artificial visa caps that bear no relation to the market undermine these positive effects. These visa caps were set 25 years ago and have ceased to bear any relation to our current economic reality; it is U.S. business owners trying to fill positions who pay the price. <sup>93</sup> In order for the immigration system to promote the greatest economic benefit, legislators need to revise the visa caps in both the temporary and permanent visa system.

### A. Temporary Worker Program Caps Do Not Reflect Current Economic Reality

As discussed in Part I, the inadequacies of current temporary worker programs create security vulnerabilities for the country. However, the limits on these programs also impede economic growth. Many of the current visa caps were established in statute in 1990 and do not represent the current realities of the economy. Although employers often need more workers during strong economic times, and fewer when the economy is in a recession, the caps remain fixed and constant. This must change.

Current U.S. temporary worker programs do not reflect the real global competition faced by many U.S. employers. Heavy equipment manufacturing provides a good example of this problem. In the 1980s, leading American manufacturers of heavy equipment had little or no Chinese competition. Today, they face intense competition from dozens of Chinese manufacturers producing equipment specifically for the Asian markets. Significantly, while such U.S. manufacturers pursue nearly all of their research and development (R&D) efforts in the United States, most of heavy equipment sales globally are now outside of America and Asia—creating a situation where employers can benefit from research and technical staff with experience in those regions and

relevant language skills. However, without access to temporary worker programs, these American companies cannot supplement their U.S.-born workforce with the foreign-born engineers they need. As economist Doug Holtz-Eakin has stated, "U.S. workers are already competing with the foreign-born workers. Competition is global; it does not matter whether it lives across the street, across the state, or across an ocean." Therefore, continuing to restrict the availability of foreign workers, especially for industries engaged in international

competition, does not protect U.S. workers and ultimately harms the U.S. economy.

Perhaps most critically, the static caps on temporary worker programs provide no space to be responsive to changing needs in various geographic and economic sectors. For instance, today there is remarkably low unemployment for native-born American citizens in certain jobs that require only a high school degree or little post-secondary training, such as social and human service assistants (2.9 percent unemployment), phlebotomists, or those trained to draw blood (1.4 percent unemployment), valve repairers (3.0 percent unemployment), and industrial machinery mechanics (2.8 percent unemployment). Certain high-skilled professions, such as electrical and electronic engineers (1.2 percent unemployment), financial analysts (2.2 percent unemployment), computer programmers (2.4 percent unemployment), software developers (2.9 percent unemployment), and accountants (3.0 percent unemployment) have similarly low unemployment rates.<sup>95</sup> Those rates are far lower than national unemployment rates.<sup>96</sup> In certain areas or parts of the country, such low unemployment rates indicate that employers would need to turn to immigrants to fill positions in such fields.

The unrealistic nature of current temporary worker caps is especially obvious in two visa categories: H-1B visas for highly skilled professionals, and the H-2B category for seasonal or temporary workers. While used by different employers in different industries, in both categories, the lack of adequate visas has hurt employers and economic growth.

As explained above, H-1B temporary workers can spur job creation and innovation. However, unnecessarily low H-1B caps prevent U.S. employers large and small from being able to hire the workers they need. The situation in recent years has grown acute. In the first five business days of April 2015, for instance, the government received a record 233,000 applications for the 85,000 H-1B visas available each year to private sector firms. The government will use a lottery system to determine which of the petitions filed will be processed, meaning that almost two out of three applications filed this year will ultimately be unsuccessful. This disproportionately impacts smaller employers that file fewer petitions but may have greater need for the few foreign workers they hire. Conversely, this favors large employers who file thousands of petitions each year. The system effectively means that the government is randomly deciding the "winners and losers" in the economy.

When the unemployment rate for the United States as a whole is high, the demand for specific kinds of workers in various sectors of the economy and in various locales often remains high. 98

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It is also worth noting that this race for H-1B visas begins a full six months before the fiscal year even begins. Employers who successfully file and receive approved petitions cannot actually begin employing the worker until October. Given that all of the allotted visas are gone before the start of the fiscal year, no additional H-1B hires can be made until the following October. The same dynamic occurred in April 2013 and April 2014, as well as in April 2008 and April 2009. In fact, in nine of the years since 1997 the cap was met prior to the beginning of the fiscal year. Even more remarkable is that in five of those years, including the most recent H-1B lottery for 2015, the cap was met during the first week that petitions could be filed.<sup>99</sup> Further, in every year since 1997 the H-1B cap has been met prior to the end of the fiscal year—except the three-year period when the cap was raised to 195,000. In those years, employers used just 163,600, 79,100, and 78,000 of the available H-1Bs, respectively, demonstrating that employers filed based on market needs.<sup>100</sup>

The fact that there are insufficient H-1B visas to meet demand means that even the most sought-after graduates of U.S. universities in technical and scientific fields are often unable to secure visas sponsored by employers. American employers seek out graduates of Ph.D. programs in computer science and engineering, yet the majority of graduates of those programs are foreign students (56 percent in computer science and 64.6 percent in industrial or manufacturing engineering as of 2013, for example). Retaining artificially low visa caps that restrict employers from hiring these truly "best and brightest" makes no economic sense.

This dysfunction plays out across the U.S. economy for businesses of all sizes looking to hire highly skilled professionals. As a researcher from the American Enterprise Institute observed, "Immigration involves another kind of global competition: for the best and brightest workers and entrepreneurs. Our current system discourages smart foreigners who have been educated in the United States from staying here to start or join businesses—which would benefit economic growth. Again, the fix is relatively easy—raise the caps on visas for skilled workers, such as the H1-B, which is currently capped at just 65,000 per year plus another 20,000 for graduates of U.S. universities with advanced degrees. To put this number into perspective, this number of visas is less than one-tenth of 1 percent of total U.S. jobs." 102

The other category that suffers from unrealistic visa caps is the H-2B program. As explained in Part I, the H-2B program is not just vital to the small businesses that use it, but also to the American workers, Main Street businesses, and U.S. companies that provide goods and services to seasonal employers and their workers. Businesses that rely on the H-2B program for legal workers also frequently suffer economic losses when H-2B processing becomes impossible because of low caps or impracticable agency regulations. A study by the U.S. Chamber and ImmigrationWorks surveyed H-2B employers who noted that they face higher turnover and training costs when they cannot hire H-2B workers to supplement their workforce. Further, the ability to hire H-2B workers when the local labor market tightens enables them to continue to expand their seasonal hours of operation, supporting many local economies and U.S. workers in jobs that would otherwise not exist. These outcomes are harmful to the economy.

There is also a category for which there are no visas available—year-round jobs that don't require a bachelor's degree. Yet, the economy needs these workers. As discussed in Part I, several of the occupations that the Bureau of Labor Statistics predicts will grow fastest over the next decade are lesser-skilled occupations, in which fewer Americans are working and for which there are no visas available in any category. For example, employment

for personal care aides and home health aides is expected to grow by 48.8 percent and 48.5 percent, respectively by 2022. <sup>106</sup> With current unemployment for the U.S.-born individuals trained in health assistant fields at 2.9 percent—near full-employment—businesses will be forced to curtail operations, reduce hours, and otherwise downsize without visas to allow employers in healthcare fields to hire foreign-born individuals.

In the 113th Congress, the Chamber and the Essential Worker Immigration Coalition and other business groups developed a proposal to create a visa for essential, less-skilled workers in fields not requiring seasonal work. This visa program was designed to reflect market dynamics, expanding in good times when U.S. labor needs intensify and contracting in downturns when U.S. labor needs subside. In addition, the program would provide portability for participating visa holders to work for any employer that has registered positions after attesting to its real-world recruitment efforts to first locate and hire U.S. workers. <sup>107</sup>

Reforming the unrealistic, fixed visa caps on the H-1B and H-2B temporary visa categories and creating new temporary visas for year-round lesser-skilled employment would support thousands of other U.S. jobs and support both the national and many local economies.

# B. Decades-Old Green Card Numerical Limits Result in Lengthy Backlogs and Have Economic Consequences

While caps on temporary worker categories affect the ability of employers to supplement their workforce when U.S. workers are unavailable, the caps on our permanent immigration system prevent many of those same workers from remaining in the United States and continuing to contribute their skills, talents and entrepreneurship to the economy.

Existing caps on green cards, the card given to individuals when they receive Legal Permanent Residence, also hinder economic growth. Annual limits on the number of new green cards (other than immediate relatives of U.S. citizens) that can be issued each year were fixed in 1990 and are not subject to changes in economic conditions. Those limits allow the government to award a total of 675,000 green cards each year, most in categories that are not directly related to employment or skills. The United States ranks near the bottom of major OECD countries in the percent of permanent residents it welcomes each year for economic or labor reasons. The state of the percent of permanent residents it welcomes each year for economic or labor reasons.

Demonstrating the demand that exists for employment-based green cards, the backlog for workers companies wish to sponsor for green cards has grown exponentially in the last decade. In the 108th Congress, when efforts first got underway with some urgency to address our dysfunctional immigration system, employment-based green cards were largely available to workers—once companies met all the prerequisite labor market tests and immigrant petition processing requirements, there was no backlog to further delay the visa. By the beginning of the 114th Congress, however, extensive backlogs had developed, including a more than nine-year wait for advanced degree professionals petitioning for a green card who were born in India. Chinese natives with advanced degrees faced a wait just under five years.<sup>111</sup>

Fewer than 7 percent<sup>112</sup> of the new lawful permanent residents we welcome each year are workers, selected based on their skill sets and jobs they will perform in the United States. <sup>113</sup>

The different backlogs for different countries are a continuing legacy of the per-country limits put in place in 1965.<sup>114</sup> Those limits dictate that in any given year no more than seven percent of all green cards can go to natives of any one individual country.<sup>115</sup> Because of these arcane limits, some professional workers must wait almost a decade for a green card after their employer shows that U.S. workers are not available to fill their position.<sup>116</sup> During that eight-year wait, the worker cannot be promoted or transferred until processing is completed. This cumbersome system prevents employers and workers from optimizing the value of their work and skills to the company or the general economy. It also makes little sense to limit the availability of skill-based green cards based on nationality, when there is such a disparity in the number of individuals from certain countries who possess needed skills. For example, India and China account for the majority of foreign students earning science and engineering degrees at U.S. colleges and universities,<sup>117</sup> but the long backlogs in green cards for those nationalities due to the per-country caps limit the chance that those graduates will be able to remain in the United States and use their talents. Congress should reconsider whether country-specific caps should apply to green cards for workers selected for their skills.

Since green card caps were set in 1990, the U.S. economy has expanded greatly. The GDP of the United States is 2.8 times larger today than it was in 1990 (\$16.768 trillion as compared to \$5.979 trillion). The population of the United States is 1.3 times larger (316 million people now as compared to 250 million in 1990). Similarly, the GDP per capita has expanded 2.2 times since 1990 (\$53,259 as compared to \$23,934 in 1990). <sup>118</sup>

The current number of green cards is insufficient for our economic needs. While it is true that the United States admits more immigrants each year than any other nation as an absolute number, relative to the population, the country admits lawful permanent residents annually totaling only about .0034 of our population (one-third of one percent). Meanwhile, Canada currently admits new legal immigrants equating to about .0075 of its total population (three-quarters of one percent), while Australia's annual legal immigration pool is about .0056 (a little more than one-half of one percent) of its population. Despite having a population just 10 percent the size of ours, Canada currently allows twice as many skilled immigrants to earn permanent residency each year than the United States. There is no need to match the experiences of Australia and Canada; these nations have very different needs and much smaller economies than the United States. However, a small, incremental and targeted increase in skilled immigration should be considered. Further, allowing the number of skills-based green cards allotted annually to fluctuate depending on economic conditions would allow the immigration system to be responsive to future changes.

# **Immigration Programs That Are Unworkable Limit Economic Growth**

In order for our immigration system to support economic growth, caps or limitations on visas must be matched to the needs of the economy over time. However, it is perhaps more important that the programs themselves be usable for employers and workers. Regulations and processes that are highly complex, or make it practically impossible for employers to hire workers when they need them, can make these visa programs unworkable.

Continuing to adhere to a specific, never fluctuating number of immigrants as the centerpiece of U.S. immigration policy will not position the country to gain access to the human capital it needs in a changing and global economy.

In this regard, the H-2A agricultural worker program represents the most glaringly unworkable part of the current visa program. As discussed in Part I, the H-2A program, although uncapped, remains underused by the U.S. agriculture industry due to its arcane rules and lack of timeliness. The National Council of Agricultural Employers has described it as "an example of governmental regulatory abuse of small business causing economic harm to employers (farmers) seeking a legal workforce, threatening the jobs of their local year-round U.S. workers and rural and urban economies."<sup>119</sup>

A viable agricultural worker visa program, however, would not simply serve the interests of farmers (who otherwise would have crops rotting in the fields) and the American consumer (who otherwise would be paying more for fruits and vegetables in the store), but the broader American workforce as well. A whole host of other industries—including trucking, manufacturing, and irrigation—are supported when the U.S. farm industry is strong. For that reason, it's estimated that each on-farm job supports three additional jobs downstream. All of those industries will be hurt if the agricultural visa program is not reformed properly.

While reform is needed, misguided changes that further complicate this already complex system could be harmful. The U.S. Department of Agriculture has warned that "any potential immigration reform could have significant impacts on the U.S. fruit and vegetable industry." <sup>121</sup> In particular, proposals for immigration reform that begin with enforcement, without fixing the H-2A program would have strong negative economic consequences. The American Farm Bureau Federation estimated that an enforcement-only approach would cause domestic production of fruit and vegetables to fall by as much as 61 percent and U.S. livestock production to decline by as much as 27 percent. <sup>122</sup> Other industries have said a negative shock to their immigrant labor supply could have major consequences as well. The National Milk Producers Federation, for instance, has estimated that if its immigrant labor supply were to be eliminated, domestic milk prices could increase by 61 percent. <sup>123</sup>

The current controversies over the H-2B program also illustrate this point. Recent changes to the regulations of the program and ongoing litigation over those rules have delayed and extended the processing time for H-2B cases, and created uncertainty for employers who have used the program reliably in the past.<sup>124</sup> This uncertainty also impacts the employers' ability to plan for future expansion and maintain the jobs they have.

#### Foreign Students Can Contribute to the Economy if Allowed to Remain

Another economic failure of our immigration system is the lack of visa avenues available for the tens of thousands of foreign-born students who receive advanced degrees each year at U.S. universities. Foreign students completing degrees in the United States are especially likely to be successful members of our economy because they speak English and have already developed familiarity with our culture, business and research practices, and entrepreneurial spirit.

Analysis in the "New Immigrant Study," <sup>125</sup> perhaps the only longitudinal review following U.S. immigrants for several years after arrival, strongly reinforced the finding that where highly skilled immigrants received their education—in the United States versus abroad—made a significant difference in how they fared in the U.S. labor market. Researchers analyzing the data have found U.S. educated immigrants were much more likely to be employed in their field—and in a job commensurate with their skill level—than those educated elsewhere. <sup>126</sup> In fact, immigrants with degrees earned abroad were much more likely to be unemployed than those educated in America. <sup>127</sup>

While an unlimited number of international students can study in the U.S. on an F-1 student visa, our immigration system provides them with an extremely limited number of avenues to remain in the United States to work or to begin companies. The H-1B category, which is the most common means of obtaining work authorization after graduation, is cap limited and oversubscribed every year. There is no direct means to obtain a green card to remain in the United States based on employment or as an entrepreneur. Congress should make it a priority to create a green card path for such graduates, provided that they either have a job offer in a field where there are not enough U.S. workers or can show funding for their own startup business.

Of course, as stated earlier, the United States must continue to expand domestic sources of talent. The U.S. Chamber, and our member companies and associations, are strongly committed to dedicating resources toward improving education and specifically promoting STEM education in the United States. However, when there are foreign individuals who have developed innovations and have obtained funding as entrepreneurs, or who have been able to secure employment from U.S. companies where there are insufficient native-born workers available, our immigration system should permit them to remain and allow the United States to benefit from their talent and drive.

## Failure to Resolve the Status of the Undocumented Prevents Them from Fully Contributing to the Economy

Economic growth is maximized when all residents are able to participate in the economy to their full potential. Many immigrants are, by their very nature, individuals who are risk-takers and entrepreneurs. Leaving over 11 million residents in an undocumented state prevents them from fully contributing to the economy. Immigrants not only provide labor in the economy, they drive growth by being additional consumers of goods and services. Economic studies agree that increased immigration will result in GDP growth. The Institute on Taxation and Economic Policy estimates that if the undocumented were ultimately able to earn a status allowing them to work legally, state and local tax contributions by these individuals would increase by about \$2 billion annually, allowing them to pay their fair share for state and local essential services, on par with other taxpayers.<sup>129</sup> Already today, however, "more than half of undocumented immigrants are believed to be working on the books,' contributing to the tax rolls but remaining ineligible for almost all Federal public assistance programs and most major joint Federal-state programs."<sup>130</sup> This also implies that about half of undocumented workers are not paying their fair share of federal taxes.

Additionally, employers face instability when they receive false documents from a significant part of the workforce. The availability of falsified documents means that many workers are able to present documents

sufficient to deceive employers during the verification process. Employers are required by the U.S. immigration statute to accept the documents offered to them to verify potential employees' identities and work authorization as valid as long as they appear facially valid. However, employers also are investigated and penalized under the same statute for engaging in unfair immigration-related employment practices if they ask for more or different documents to be sure the new hires are indeed authorized workers.<sup>131</sup> In fact, good faith employers often find out after an audit by ICE (U.S. Immigration and Customs Enforcement) that many employees have submitted so-called "suspect documents" and their employment must be terminated. This sort of business disruption is costly—and unnecessary—in a rational system. 132

As discussed earlier, the United States is facing severe demographic challenges that have the potential to squeeze future economic growth and worsen budget deficits. Immigration is one major hedge against these results. Proposals to remove a large number of the undocumented workforce from the country would be both fanciful and economically disastrous. As discussed above, these individuals as a practical matter, could not be deported and they are not going to leave the country voluntarily. Moreover, the 2015 analysis by the center-right policy institute American Action Forum found that eliminating all undocumented workers from the economy would mean that the labor force would shrink by 6.4 percent. As a result, the U.S. GDP would be 5.7 percent—or \$1.6 trillion—lower in 20 years than it is projected to be otherwise. 133 Similarly, in 2013 the Bipartisan Policy Center found that removing all undocumented immigrants would result in a deficit increase of \$800 billion over 20 years.<sup>134</sup> A pragmatic solution that would allow these workers to come forward, be screened and earn a lawful status would not only be more cost effective, but would allow them to contribute fully to the economy.

#### SUMMARY – IMMIGRATION REFORM IS AN ECONOMIC POLICY OPPORTUNITY

In sum, immigrants do not lower wages or take jobs from American workers. Further, their presence in the United States has a positive impact on U.S. job creation and GDP growth in general. In order for the country to fully realize these benefits, our immigration system must be adapted so it is more responsive to our economic needs.

In the first part of this paper, it was demonstrated that revamping temporary worker categories for lesser-skilled occupations would directly enhance security. This section highlighted the economic benefits of creating highskilled, lesser-skilled, and agricultural temporary worker programs more in line with our country's true economic needs. These two lenses together provide a valuable way to view some of the most pressing immigration issues facing the country today. Providing a path for the undocumented population to earn legal status would also greatly benefit national security and public safety. When those benefits are paired with the economic benefit that could be realized by enabling these millions of individuals to participate fully and legally in the economy, the need for a pragmatic solution to this issue becomes even more obvious.

This section has also shown that modernizing the outdated caps that govern the number of visas and green cards available to workers could drive U.S. economic growth. As Douglas Holtz-Eakin, a conservative, pro-growth economist has said, "immigration reform is a great economic policy opportunity." <sup>135</sup> Every single day immigration reform goes unaddressed, our country misses out on a valuable opportunity to better compete for global talent and reach something closer to our full potential.<sup>136</sup> As this report shows, immigrants do not undermine U.S. wage growth or job growth—they play a key role driving it.

# CONCLUSION — MOVING FORWARD

There are a number of political, policy, and practical reasons why the legislative and executive branches—over multiple Congresses and presidential elections—have failed to work together to put in place needed changes to modernize our nation's immigration system. This white paper has attempted to explain how immigration reform can promote both national security and economic growth. Unfortunately, the various debates surrounding reform often rely on ideology and predetermined stances—on both sides of the aisle—and not enough focus on the need to solve specific, on-the-ground problems.

A wide-range of immigration-related questions will ultimately benefit from a legislative answer. Yet addressing each relevant and even important question in immigration policymaking should not be the focus of immigration reform at this juncture. Making a down payment on concrete reforms means recognizing that it is not necessary to solve all problems plaguing the immigration system at once. Immigration reform issues could be dealt with a number of ways, including through a series of bills that sequence border security, employment verification, and other security changes with changes to the legal immigration system and a process for the undocumented. However, this white paper does not prescribe a fixed legislative method for achieving these commonsense immigration changes.

Security would be significantly improved by restoring the rule of law to the system, providing more legal avenues to reduce the flow of illegal immigration, and encouraging those illegally present to come out of the shadows and be registered. Moreover, our immigration system today is significantly out of step with our economy, placing the United States at a disadvantage in selecting immigrants to support our workforce needs and contribute to innovation and entrepreneurship.

The U.S. Chamber of Commerce supports immigration reform that controls visa overstays and the nation's borders, modernizes legal immigration, curbs illegal employment through an updated employment verification system, and ensures a stable workforce without millions of undocumented workers. As discussed in detail in this paper, these reforms *will improve national security and economic growth*.

### ENDNOTES

- See, "8th Anniversary Roundtable" Transcript, March 2, 2011, quoting former Secretaries Ridge and Chertoff, and then-Secretary Napolitano during an interview with Andrea Mitchell at Georgetown University (http://www.dhs.gov/8th-anniversary-roundtabletranscript), and remarks by Secretary Johnson at the Woodrow Wilson February 7, 2014 (http://www.dhs.gov/news/2014/02/07/ remarks-secretary-homeland-security-jeh-johnson-woodrow-wilsoncenter).
- Looking at the dramatic changes implemented by President George W. Bush at the southern border is instructive as an example of improvements that have already been achieved at the border. Just before the Bush Administration took office, the U.S. Border Patrol had a total of 9,212 border patrol agents with 8,580 serving in border sectors on our southern land border. At the end of the Bush Administration, border patrol agent staffing had been increased to 20,119, with 17,408 agents serving in sectors on our southern land border. And, strategic fencing was likewise greatly enhanced under President George W. Bush. In FY2000, the U.S. had a total of 77 miles of fencing on its southern border, including primary pedestrian fencing, secondary fencing, and vehicle barriers. By FY2009, the southern border saw completed construction of 278 miles of pedestrian fencing complemented by completed construction of 248 miles of vehicle barriers on the southern border. These approaches have been maintained by the Obama Administration. See, staffing data on U.S. Border Patrol from Customs and Border Protection  $http://1.usa.gov/1Na6wLZ\ along\ with\ October\ 2014\ data\ from\ the$ Secretary of Homeland Security http://1.usa.gov/1yV2wu3.
- Heritage Foundation Backgrounder #2245 at p. 9, "15 Steps to Better Border Security," March 9, 2009 http://www.heritage.org/research/ reports/2009/03/15-steps-to-better-border-security-reducingamericas-southern-exposure.
- Senator John Cornyn (R-TX), at Senate Judiciary Committee markup of S. 744 in May 2013 and on a trip to the southern border http:// www.themonitor.com/news/local/cornyn-wants-right-balance-inimmigration-talks/article\_1c177332-b6c8-11e2-93ba-0019bb30f31a. html?mode=jqm.
- Michael A. Clemens and Lant Pritchett, "Temporary Work Visas: A Four-Way Win for the Middle Class, Low-Skill Workers, Border Security, and Migrants" (Center for Global Development, April 2013) http://www.cgdev.org/sites/default/files/archive/doc/full\_text/ CGDBriefs/3120183/time-bound-labor-access.html.
- See, e.g., research of Fernando Riosmena and Belinda Reyes in the book Crossing the Border (Jorge Durand and Douglas Massey, Mexican Migration Project, 2004).
- Secretary of Homeland Security under President George W. Bush, Michael Chertoff, opining as part of his work on immigration reform in 2006, quoted in Edward Alden, "Chertoff Battered but Not Bowed by Year in Office," Financial Times, March 13, 2006.
- 8. Doris Meissner, Donald M. Kerwin, Muzaffar Chishti, and Claire Bergeron, "Immigration Enforcement in the United States: The Rise of a Formidable Machinery" (Migration Policy Institute, January 2013, p. 16-17). Refers to total funding for U.S. Customs and Border Protection, Immigration and Customs Enforcement and US-VISIT from 2002-2006, which rose from \$6.2 billion to \$12.5 billion. From 2006-2012, funding for the three agencies rose another 43 percent.
- See, Pew Hispanic Center, Unauthorized Immigration Trends for States, Birth Countries and Regions at http://www.pewhispanic. org/2014/12/11/unauthorized-trends/. Estimates of the Unauthorized immigrant population rose from 8.6 million in 2000 to a height of 12.2 million in 2007 before the recession and economic downturn.

- Passel, Jeffrey, et. al., "As Growth Stalls, Unauthorized Immigrant Population Becomes More Settled," Pew Hispanic Center, September 3, 2014, http://www.pewhispanic.org/2014/09/03/as-growth-stallsunauthorized-immigrant-population-becomes-more-settled/.
- 11. See, e.g., "8th Anniversary Roundtable The Department of Homeland Security, Year 8," discussion at Georgetown University with Secretaries Ridge, Chertoff, and Napolitano. "Question: Isn't it true that most illegal immigration really has to do with economic issues, people driven by jobs? Answer, Secretary Chertoff: Yes. No question." http://www.dhs.gov/8th-anniversary-roundtabletranscript.
- 12. See summary of lesser-skilled visa program issues http://immigration.uschamber.com/uploads/sites/392/Less-Skilled%20Future%20Flow%202013%20with%20demand%20graphic.pdf.
- See, e.g., CRS, "Immigration: Visa Security Policies" (CRS Report R43589, June 2014). Before issuing a visa, the State Department checks, collects, and receives extensive information on each visa applicant. The State Department has the ability to check, as appropriate, the Automated Biometric Identification System (IDENT), the Integrated Automated Fingerprint Identification System (IAFIS), the Terrorist Screening Center (TSC), and the Arrival Departure Information System (ADIS), among others. The State Department also has controlled access to the Traveler Enforcement Compliance System (TECS), which is used by Customs and Border Protection to double check the admissibility of each legal visa holder, and TECS in turn provides access to the Interagency Border Inspection System (IBIS) which includes the records of the National Crime Information Center (NCIC). The State Department collects, and retains, the photos of every visa applicant (since 2001) and the 10-finger scans of the fingerprints of each visa applicant (since 2007). And, the State Department receives clearances in response to Security Advisory Opinions (SAOs) that consular officers request in a variety of circumstances. These security steps reflect dramatic improvement and expansion following September 11th (which previously focused on checking "lookouts" throughout the Consular Lookout and Support System (CLASS) and the National Automated Immigration Lookout System (NAILS), coupled with regular requests of SAOs). The most fundamental changes in our current visa issuance system are that it integrates access to more security systems and requires resolution of all name hits and SAO requests, instead of merely waiting a reasonable period of time. In addition to these steps at visa issuance, CBP conducts redundant checks at the time of entry through a border port for legal entrants, validating the information from the State Department and matching to any updated information or lookouts since the time of visa issuance.
- See e.g., DHS 2014 Quadrennial Homeland Security Review (QHSR), where the Department of Homeland Security has identified shrinking the haystack as a strategic priority.
- See Prepared Statement of the Coalition for Immigration Security for a hearing entitled "Guest Worker Programs: Impact on the American Workforce and U.S. Immigration Policy," 109th Congress (viewed online March 22, 2015) http://www.gpo.gov/fdsys/pkg/CHRG-109hhrg28808/html/CHRG-109hhrg28808.htm.
- 16. See State Department's spreadsheet for nonimmigrant visa issuance FY97-FY13, showing H-2A visa issuance the last five fiscal years to be FY13-74,192, FY12-63,345, FY11-55,384, FY10-55,921, FY09-60,112 http://travel.state.gov/content/visas/english/law-and-policy/statistics/ non-immigrant-visas.html. Nonimmigrant visa issuance data for FY14 was not issued as of the date this white paper was drafted.

- 17. There is no definitive agreement on the number of farm workers providing services annually in the U.S. The U.S. Department of Agriculture estimates there is somewhere in the range of 1.1 or 1.2 million farm workers each year in the U.S., but this is based on a "peak employment" analysis. Peak employment, of course, is different than the total number since most farm workers are in seasonal jobs and major agriculture production areas like Florida and Arizona have employment peaks that do not overlap with the overall agricultural employment peak. Most in the agriculture industry instead estimate that there are approximately 2 million farm workers every year in our country, the consensus figure referred to by academics analyzing agriculture workforce issues. With regard to how many of these farm workers are illegal, there is further question. The National Agriculture Worker Survey (NAWS) commissioned by the U.S. Department of Labor (DOL) is likely the most cited source, and it suggests that about 52 percent of all farm workers in our country are unauthorized. However, the DOL figure is often considered to understate the ratio of illegal immigrants because of the lack of willingness to provide such information by workers on a government survey. Moreover, in current ICE worksite audits it is most common to see notices of suspect documents issued for more than 80 percent, and sometimes even 90 percent, of a farm's workers, making the NAWS estimate suspect. Lastly, since the DOL survey has continued to show a steady ratio of about half of the workforce as undocumented for over 15 years, and most experts believe the ratio of illegal immigrants has markedly increased, most agriculture workforce experts believe the actual number is 70 percent or more. Sometimes reports from Pew and the Migration Policy Institute suggest that the percentage of illegal agriculture workers is closer to one-quarter to one-third, but that is because these social science reports rely on the Current Population Survey (CPS) which has a different data collection mechanism that understates agriculture sector employment. The snapshot provided by the CPS is based on a two week survey period each March. This data point is at what is the seasonal low ebb for agricultural employment, thus it is misleadingly
- See testimony of Professor James Holt before the House Committee on Agriculture at a Hearing to Review the Labor Needs of American Agriculture, October 4, 2007 http://www.gpo.gov/fdsys/pkg/CHRG-110hhrg48999/pdf/CHRG-110hhrg48999.pdf, at p. 11-18.
- 19. Bureau of Labor Statistics Employment Projections (BLS, December 2013) www.bls.gov/news.release/pdf/ecopro.pdf. See also, graphic from the Center for Global Development "As Americans' Skill Up For Good Jobs, There Are Jobs That People Have To Do Here," explaining these types of BLS projections (part of summary of lesser-skilled issues http://immigration.uschamber.com/uploads/sites/392/Less-Skilled%20Future%20Flow%202013%20with%20demand%20graphic.pdf, at p. 3).
- See survey of H-2A employers by the National Council of Agricultural Employers, 2010 http://www.ncaeonline.org/images/ documents/ALRP2011\_brochure.pdf, and the 55 page report by the Social and Economic Research Center of Washington State University "H-2A Temporary Agricultural Employee Program" (Technical Report 11-67, November 2011).
- See testimony of Professor James Holt before the House Committee on Agriculture, October 4, 2007 http://www.gpo.gov/fdsys/pkg/ CHRG-110hhrg48999/pdf/CHRG-110hhrg48999.pdf, at 18.
- 22. See, "No Longer Home Grown: How Labor Shortages are Increasing America's Reliance on Imported Fresh Produce and Slowing U.S. Economic Growth," (Stephen Bronars, PhD, for the Partnership for a New American Economy and the Agricultural Coalition for Immigration Reform, March 2014) http://www.renewoureconomy. org/wp-content/uploads/2014/03/no-longer-home-grown.pdf.
- 23. The H-2B category can be used for seasonal, peak-load, one-time, or intermittent but temporary jobs, but in effect the agencies administering the program require the job to be seasonal. The H-2B category serves an important purpose and needs to be continued, in addition to creation of a separate and new category for lesser-skilled workers in any industry, such as home health care, restaurants, or energy production-related construction which are not necessarily driven by seasonal work.

- 24. The H-2B cap is divided into halves (with an equal cap of 33,000 for the first six months and second six months) in order to accommodate different seasons and different seasonal businesses (for example, ski season and seafood processing season) and the cap is typically met well before the end of the six months. See, e.g., USCIS, January 26, 2015 http://www.uscis.gov/working-united-states/temporary-workers/cap-count-h-2b-nonimmigrants, March 14, 2014 http://www.uscis.gov/news/uscis-reaches-h-2b-cap-first-half-fiscal-year-2014, and April 2, 2015 http://www.uscis.gov/news/alerts/uscis-reaches-h-2b-cap-fiscal-year-2015.
- 25. See Census Bureau http://www.census.gov/prod/2012pubs/p20-566. pdf (issued February 2012). Other demographers have reported that between 1990 and 2010, the number of young, U.S.-born, lesserskilled individuals declined by almost 12.3 million. Frank Bean, "A Crucial Piece of the Puzzle," (Partnership for a New American Economy, March 27, 2014), http://www.renewoureconomy.org/wp-content/uploads/2014/03/less-skilled-final.pdf. See also, for a discussion of the subject generally, Madeline Zavodny and Tamar Jacoby, "Filling the Gap: Less-Skilled Immigration in a Changing Economy" (American Enterprise Institute and ImmigrationWorks USA, 2013) http://www.aei.org/files/2013/06/10/-zavodny-filling-the-gap-immigration-report\_140631709214.pdf.
- Madeline Zavodny and Tamar Jacoby, "Filling the Gap: Less-Skilled Immigration in a Changing Economy" (American Enterprise Institute and ImmigrationWorks USA, June 2013), pp. 1–3, http:// www.aei.org/files/2013/06/10/-zavodny-filling-the-gap-immigrationreport\_140631709214.pdf.
- 27. An excellent summary of the current difficulties in the H-2B program and the legal wrangling over the last six years is provided in the February 2, 2015 comment to the Department of Labor by the H-2B Workforce Coalition, where the U.S. Chamber sits as a member of the Executive Committee http://uscham.com/1IbgZUX.
- See, e.g., "Select Commission Recommends Changes in Immigration Policy—a review essay," by Philip L. Martin (advisor to the Commission), in Monthly Labor Review, Bureau of Labor Statistics, Washington, D.C., February, 1982. Found at http://www.bls.gov/ opub/mlr/1982/02/art4full.pdf.
- 29. The Immigration Reform and Control Act (IRCA) signed into law November 6, 1986 required for the first time that all employers be required to complete an employment verification process (currently represented in completion of Form I-9) and be barred, as a separate obligation, from hiring or continuing to employ any worker knowing that the individual is not authorized to work. See 274A of the Immigration and Nationality Act (INA).
- 30. During the period 2006 to 2009, the Chamber was asked to testify before Congress at least five times about employment verification and specifically E-Verify (before the Immigration Subcommittee of House Judiciary Committee, and also before Subcommittees of the House Ways & Means Committee, Small Business Committee, and Government Oversight Committee) and on each occasion the Chamber, while supporting broad immigration reforms, expressed strong opposition to the mandatory expansion of E Verify unless it was conditioned on extensive improvements to the workability and reliability of what we saw as a burdensome system.
- 31. The U.S. Chamber of Commerce testified before Congress about the terms and conditions of its support for mandatory E-Verify in 2013 and 2015. See testimony from February 27, 2013 http://judiciary. house.gov/\_files/hearings/113th/02272013/Johnson%2002272013. pdf and February 4, 2015 http://judiciary.house.gov/\_cache/files/d2991fa6-c7ce-4f2e-acb2-3227b3de295e/uscc-testimony-of-rjohnson-on-legal-workforce-act-2-4-2015.pdf, at hearings before the Immigration Subcommittee of the House Judiciary Committee.
- For explanation of the bill see the section-by-section analysis in the Committee Report on the Legal Workforce Act from the 113th Congress https://www.congress.gov/113/crpt/hrpt677/CRPT-113hrpt677-pt1.pdf.
- See, e.g., testimony of the National Council of Farmer Cooperatives and the National Workforce Coalition before the House Immigration Subcommittee in a hearing February 4, 2015 http://judiciary.house. gov/\_cache/files/11cee8cb-fe92-46d7-98e4-2a96d55868f5/chuckconner-testimony-hr-1772.pdf.

- 34. Pew Research Center, "Modes of Entry for the Unauthorized Population" (May 22, 2006 fact sheet). Available at: http://www.pewhispanic.org/2006/05/22/modes-of-entry-for-the-unauthorized-migrant-population/.
- 35. CRS Report R43356 "Border Security: Immigration Inspections at Ports of Entry" (October 31, 2014), at p. 24.
- 36. US-Canada information sharing to track overstays has been piloted as part of the Beyond the Border Action Plan agreed upon by Prime Minister Harper and President Obama. See, e.g., Beyond the Border Implementation Report, December 2013 http://www.whitehouse.gov/sites/default/files/docs/btb-canada-us-final\_-\_dec19.pdf.
- 37. See, e.g., the Pew Research Center Fact sheet referenced in footnote 48 and GAO "Overstay Enforcement" http://www.gao.gov/ assets/660/656316.pdf (July 2013 report highlighting, among other things, the complex overlapping authorities of federal agencies regarding overstays under current law).
- 38. See §217(b) of the Immigration and Nationality Act (INA).
- 39. In general, an increased focus on metrics in both border- and enforcement-related activities should be welcomed. See, Bryan Roberts (Senior Economist at Econometrica, Inc.), "Measuring the Metrics: Grading the Government on Immigration Enforcement" (Bipartisan Policy Center, February 2015), in particular Chapter 4 on Measures and Migration Decisions, at p. 37-40, 55-66 http://bipartisanpolicy.org/wp-content/uploads/2015/02/BPC\_Immigration\_MeasuringEnforcement.pdf.
- 40. In 2002, legacy INS (Immigration and Naturalization Service) published a proposed rule requiring surrender for removal within 30 days of the effective date of an administratively final removal order. Under the proposed rule, persons in proceedings would be given written and oral notice of this obligation at various stages, including initial appearance in immigration court and upon any release from custody. Thus no further notification (such as the "bag and baggage letter" or "run letter") would be required. This rule has never been finalized and so is not in effect.
- 41. As of February 2015, the immigration courts had a pending caseload of over 430,000 cases, according to the Transactional Records Access Clearinghouse (TRAC), http://trac.syr.edu/phptools/immigration/court\_backlog/apprep\_backlog.php. The average time cases have been pending as of February 2015 is 597 days http://trac.syr.edu/phptools/immigration/court\_backlog/apprep\_backlog\_avgdays.php.
- 42. Delay allows for the building of additional equities, and even if they do not provide a formal basis for relief, such equities magnify outside pressures (from the local community, local political and religious figures, and even from members of Congress) that make it far more difficult for the responsible federal officers to proceed with enforcement.
- 43. Jeffrey Passel et. al., "As Growth Stalls, Unauthorized Immigrant Population Becomes More Settled," Pew Hispanic Center, September 3, 2014, (http://www.pewhispanic.org/2014/09/03/as-growth-stalls-unauthorized-immigrant-population-becomes-more-settled/), and Passel, Jeffrey and D'Vera Cohn, "Unauthorized Immigrant Totals Rise in 7 States Fall in 14," November 18, 2014 (http://www.pewhispanic.org/2014/11/18/unauthorized-immigrant-totals-rise-in-7-states-fall-in-14/).
- 44. "The Budgetary and Economic Costs of Addressing Unauthorized Immigration: Alternative Strategies" (American Action Forum, March 2015) http://americanactionforum.org/research/the-budgetary-and-economic-costs-of-addressing-unauthorized-immigration-alt. See also, "The Costs of Mass Deportation," (Center for American Progress, March 2010) that looked at the costs of a five year effort to remove the undocumented would cost \$200 billion to find and arrest, detain, legally process, and transport the undocumented population over a five-year period plus the five-year price tag of \$85 billion of continuing this level of enforcement.
- 45. United States Office of Management and Budget (2013) "FY 2013 Budget of the U.S. Government."

- See, e.g., Charles L. Schultze "The Economic Content of National Security Policy," Foreign Affairs, April 1973, accessed at http://www. foreignaffairs.com/articles/24421/charles-l-schultze/the-economic-content-of-national-security-policy. See also, CRS, "Economics and National Security: Issues and Implications for U.S. Policy" (CRS Report R41589, January 2011).
- 47. "[G]overnment, the economy and unemployment have been the dominant problems listed by Americans for the last year." Gallup Polls, "Americans Name Government as No. 1 U.S. Problem," March 14, 2015, http://www.gallup.com/poll/181946/americans-namegovernment-no-problem.aspx.
- 48. For an excellent bibliography on the economic impacts of immigration in the United States, with over 60 reference sources covering all viewpoints (left, right, business, union, immigration restrictionist, and free market) as well as government data from the Bureau of Labor Statistics and other agencies and a summary review of how immigration benefits all Americans look at a Manhattan Institute issue brief issued in December 2014 from its E21 project (Economic Policies for the 21st Century). http://www.manhattaninstitute.org/pdf/e21\_02.pdf.
- 49. Id. at p. 1-2.
- Madeline Zavodny, "Immigration and American Jobs" (American Enterprise Institute and Partnership for a New American Economy, December 14, 2011) https://www.aei.org/wp-content/ uploads/2011/12/-immigration-and-american-jobs\_144002688962. pdf at p. 11).
- 51. Frederick R. Treyz, Corey Stottlemyer, and Rod Motamedi, "Key Components of Immigration Reform: An Analysis of the Economic Effects" (Regional Economic Models, Inc., July 2013) http://www.remi.com/immigration-report.
- 52. "The H-1B Employment Effect" (Partnership for a New American Economy, April 1, 2015) http://www.renewoureconomy.org/wp-content/uploads/2015/04/H1B\_Effect.pdf.
- Alex Nowrasteh "Rebuttal of Sen. Sessions' Anti-Legal-Immigration Op-ed" (Cato Institute, April 10, 2015) http://www.cato.org/blog/ rebuttal-sen-sessions-anti-legal-immigration-oped.
- Douglas Holtz-Eakin, "Immigration Reform, Economic Growth and the Fiscal Challenge" (American Action Forum, April 9, 2013) http:// americanactionforum.org/research/study-immigration-reformeconomic-growth-and-the-fiscal-challenge).
- 55. Id. at p. 2.
- 56. "Immigration Reform: Implications for Growth, Budgets and Housing" (Bipartisan Policy Center, October 29, 2013) http://bipartisanpolicy.org/wp-content/uploads/sites/default/files/BPC\_Immigration\_Economic\_Impact.pdf.
- 57. David Dyssegaard Kallick, "Bringing Vitality to Main Street: How Immigrant Small Businesses Help Local Economies Grow" (Fiscal Policy Institute and Americas Society/Council of The Americas, January 2015) http://fiscalpolicy.org/wp-content/uploads/2015/01/ Bringing-Vitality-to-Main-Street.pdf.
- 58. "Immigration Reform: Implications for Growth, Budgets and Housing" (Bipartisan Policy Center, October 29, 2013) http://www.renewoureconomy.org/wp-content/uploads/2015/04/H1B\_Effect.pdf.
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- Congressional Budget Office reports on S.744 in the 113th Congress (CBO, June 2013) https://www.cbo.gov/publication/44345.
- 61. Jacob Vigdor, "Immigration and the Revival of American Cities" (Partnership for a New American Economy and Americas

Society/Council of the Americas, September 2013) http://www.as-coa.org/sites/default/files/ImmigrationUSRevivalReport. pdf and see housing map that details results and explains methods http://www.renewoureconomy.org/housingmap/). See also, Natalia Siniavskaia, "Immigrants and Housing Demand" (National Association of Home Builders, August 3, 2012) http://www.nahb.org/generic.aspx?sectionID=734&genericContentID=186289&channelID=311 and "Immigration and Housing: Supply, Demand and Characteristics" (Bipartisan Policy Center, September 2014) http://bipartisanpolicy.org/wp-content/uploads/sites/default/files/BPC%20 Immigration%20and%20Housing.pdf.

- 62. Alex Nowrasteh "Rebuttal of Sen. Sessions' Anti-Legal-Immigration Op-ed" (Cato Institute, April 10, 2015) http://www.cato.org/blog/rebuttal-sen-sessions-anti-legal-immigration-oped.
- 63. Tim Kane, Hoover Institution, "The Economic Effect of Immigration" (February 17, 2015) http://www.hoover.org/research/economic-effect-immigration.
- "Immigration and Labor Markets: The Facts," April 28, 2015, http://opportunitylives.com/immigration-and-labor-markets-the-facts/
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- 66. CRS "Presentation of Data on the U.S. Foreign Born, Average Incomes of the Bottom 90% of Tax Filers, and the Estimated Share of Income Held by the Bottom 90% of the U.S. Income Distribution, 1945-2013" (April 22, 2015).
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- 68. For an overview on how to read and interpret the many different analysis of immigrants' impact on wages, see Matthew Graham, "Immigration and Wages: Decoding the Economics" (Bipartisan Policy Center, June 2014) http://bipartisanpolicy.org/wp-content/uploads/sites/default/files/Immigration%20and%20Wages%20-%20 Decoding%20the%20Economics.pdf.
- Giovanni Peri, Kevin Y. Shih, and Chad Sparber, The National Bureau of Economic Research, "Foreign STEM Workers and Native Wages and Employment in U.S. Cities," (Working Paper, Issued May 2014). Available here: http://www.nber.org/papers/w20093.
- 70. Peter B. Dixon and Maureen T. Rimmer, Center for Trade Policy Research, Issue Brief No. 40, "Restriction or Legalization? Measuring The Economic Benefits of Immigration Reform" (Cato Institute, April 13, 2009) http://www.cato.org/pubs/tpa/tpa-040.pdf, using U.S. Applied General Equilibrium (USAGE) modeling.
- 71. Id. at p. 4.
- 72. The H-1B visa category is reserved for jobs requiring a Bachelor's degree or above and is primarily used to hire foreign STEM professionals. See USCIS Characteristics of H-1B Specialty Occupation Workers for FY2012 (latest report available), Tables 8A, 8B, 9A, and 9B, http://www.uscis.gov/sites/default/files/USCIS/Resources/Reports%20and%20Studies/H-1B/h1b-fy-12-characteristics.pdf.
- The employment projections for 2012-2022 by the Bureau of Labor Statistics www.bls.gov/news.release/pdf/ecopro.pdf show that employment in computer occupations are projected to grow 18 percent.
- 74. "The Skills Gap in Manufacturing, 2015 and Beyond" (Manufacturing Institute and Deloitte, March 2015) http://www.themanufacturinginstitute.org/Research/Skills-Gap-in-Manufacturing/Skills-Gap-in-Manufacturing.aspx.

- 75. Change the Equation, "STEM: Help Wanted" (May 2012), p 3. Available here: ttp://changetheequation.org/sites/default/files/CTEq\_VitalSigns\_Supply%20(2).pdf.
- "Science & Engineering Degree Attainment: 2004-2014" (National Student Clearinghouse Research Center, January 2015) http:// nscresearchcenter.org/wp-content/uploads/SnapshotReport15-DegreeAttainment.pdf.
- "Science, Technology, Engineering, and Mathematics Education: Assessing the Relationship between Education and the Workforce" (GAO-14-374, General Accountability Office, May 2014) at p. 11. http://www.gao.gov/assets/670/663079.pdf.
- 78. Partnership for a New American Economy and the Partnership for New York City, "Not Coming to America: Why the U.S. is Falling Behind in the Global Race for Talent" (May 2012). Available here: http://www.renewoureconomy.org/wp-content/uploads/2013/07/not-coming-to-america.pdf at 7.
- 79. For example, using immigration fees paid by employers to be directed to the states for K-12 education efforts is widely supported among employers hiring a high-skilled workforce. See, e.g., Title IV of the Immigration Innovation Act of 2015 (I-Squared), S. 153 (114th Congress).
- 80. Labor market experts interpret a job opening of longer than a month as an indicator that qualified candidates are hard to find. Such an interpretation of vacancy survey data is empirically grounded in both historical and many contemporary labor market surveys from private firms and state governments. When Brookings researchers looked at job openings data for the 100 largest metropolitan areas, they concluded that H-1B STEM job vacancies are harder-to-fill than other job openings as evidenced by the fact that STEM occupations with H-1B requests had 7 percent more vacancies left unfilled for more than one month than other jobs (43 percent of H-1B STEM jobs as compared to 36 percent of other job openings were unfilled for more than one month). See, Jonathan T. Rothwell and Neil G. Ruiz "H-1B Visas and the STEM Shortage: A Research Brief" (http://papers.ssrn.com/sol3/papers.cfm?abstract\_id=2262872, May 2013) at p. 3.
- 81. Each data point on demographics comes from the Census Bureau, the National Center for Health Statistics in the Center for Disease Control, or the Bureau of Labor Statistics.
- 82. Pew Research Center, "Daily Number: Baby Boomers Retire" (Dec. 29, 2010). Available here: http://www.pewresearch.org/daily-number/baby-boomers-retire/.
- 83. "The Most Misleading Statistic in Immigration: Examining Claims about Jobs for Science and Engineering Degree Holders," National Foundation for American Policy, NFAP Policy Brief, April, 2015, http://nfap.com/wp-content/uploads/2015/04/NFAP-Policy-Brief. Most-Misleading-Statistic-in-Immigration.April-20151.pdf.
- 84. See, e.g., "Science, Technology, Engineering, and Mathematics Education: Assessing the Relationship between Education and the Workforce" (GAO-14-374, General Accountability Office, May 2014) http://www.gao.gov/assets/670/663079.pdf.
- 85. See, National Science Foundation, Science and Engineering Indicators 2014. E.g., Figures on Labor Force, Table 3-11 regarding S&E Occupational Categories http://www.nsf.gov/statistics/seind14/index.cfm/etc/figures.htm#chp3, showing in which sectors individuals studying in each of the STEM fields work (whether the field of study was core STEM or social sciences).
- 86. National Science Foundation definition of social, behavioral and economic (SBE) sciences http://www.nsf.gov/sbe/about.jsp.
- 87. See, scope of National Science Foundation SBE (social, behavioral, and economic) activities, e.g. http://www.nsf.gov/div/index.jsp?org=BCS and http://www.nsf.gov/div/index.jsp?div=SES.
- 88. See, U.S. Census Bureau, "Where do College Graduates Work: A Special Focus on Science, Technology, Engineering and Math" (June 10, 2014) [Data visualization]. Available here: http://www.census.gov/dataviz/visualizations/stem/stem-html/.
- 89. See, e.g., National Science Foundation annual Science and Engineering Indicators report http://www.nsf.gov/statistics/seind12/c3/c3h.htm.

- 90. See, e.g., explanation of STEM from the Senate Joint Economic Committee report from April 2012 that says the medical sciences are NOT a STEM field http://www.jec.senate.gov/public/index. cfm?a=Files.Serve&File\_id=6aaa7e1f-9586-47be-82e7-326f47658320 (April 2012), p. 1 (the practice of medicine is not a STEM field see also National Science Foundation, which clarifies that the medicine is not a science and engineering field).
- Liana Christin Landivar, U.S. Census, American Community Survey Reports, "The Relationship between Science and Engineering Education and Employment in STEM Occupations" (September 2013). Available here: http://www.census.gov/prod/2013pubs/acs-23. pdf.
- 92. In fact, immigration has staved off many of the most negative demographic challenges for the United States compared to other developed nations. Without immigration, America's population would stop growing between 2040 and 2050. Immigration will slow the ratio of working age to retired population (an important factor in the solvency of Social Security and Medicare) by 30 percent resulting in a 17 to 19 percent decrease in Social Security deficits. Bipartisan Policy Center, Immigration: America's Demographic Edge, January, 2014, accessed at http://bipartisanpolicy.org/wp-content/uploads/sites/default/files/ImmigrationDemographic.pdf.
- 93. A study recently published by the Business Roundtable concludes that U.S. immigration policy is so out of touch with economic reality that it ranks 9th out of the 10 most advanced economies. "State of Immigration: How the United States Stacks Up in the Global Talent Competition" (Business Roundtable, March 2015) http://brt.org/sites/ default/files/immigration\_reports/BRT%20immigration%20report. pdf.
- 94. "Eakinomics: Immigration and the Standard of Living," American Action Forum, April 24, 2015, http://opportunitylives.com/immigration-and-labor-markets-the-facts/.
- 95. Compiled as of January 12, 2015 from Current Population Survey (CPS), a project of the Bureau of Labor Statistics (BLS) and the Census Bureau. The data set is pooled monthly CPS samples for 12 months --December 2013 through November 2014. Observations were weighted using the BLS composite monthly weight variable. Monthly weights were divided by 12, so totals are estimates of average monthly employment over the year.
- 96. Id
- Patrick Thibodeau, "U.S. gets 233,000 H-1B petitions, a new record," Computerworld, April 13, 2015. Available here: http://www.computerworld.com/article/2909350/us-gets-233000-h-1b-petitions-a-new-record.html.
- 98. Darrell M. West, "The Paradox of Worker Shortages at a Time of High National Unemployment" (Brookings Institution, April 2013) http://www.brookings.edu/~/media/research/files/papers/2013/04/10%20 worker%20shortage%20immigration%20west/west\_paradox%20 of%20worker%20shortages.pdf#page=2 at p.2.
- See, summary assembled of H-1B cap dates FY92-FY16 based on USCIS data http://immigration.uschamber.com/uploads/sites/400/ USCC-USCIS-H1B-petition-data-and-cap-dates-FY92-FY16\_1.pdf.
- 100. Demand for the H-1B program is not driven by the cap, instead demand for this program is based on employer new hiring needs and inability to find qualified American workers in sufficient numbers. See, e.g., Jill H. Wilson, "Immigration Facts: Temporary Foreign Workers" (Brookings Institution, June 2013) http://www.brookings.edu/research/reports/2013/06/18-temporary-workers-wilson, and Stuart Anderson, "H-1B Visas Essential to Attracting and Retaining Talent in America" (National Foundation for American Policy, May 2013) http://www.nfap.com/pdf/NFAP%20Policy%20Brief%20 H-1B%20Visas%20May%202013.pdf, at p. 6-7.
- National Science Foundation, "Survey of Earned Doctorates" (Dec. 2014), Table 22. Available here: http://www.nsf.gov/statistics/sed/2013/data-tables.cfm.
- 102. James K. Glassman (American Enterprise Institute scholar), "Slow Growth Doesn't Have to be the New Normal" (USA Today, March 6, 2015) http://www.usatoday.com/story/opinion/2015/03/06/ jobs-america-growth-economy-column/24495081/, promoting immigration reform as one of three policy changes that can boost economic growth.

- 103. Recently issued Department of Labor regulations on the H-2B program have resulted in lawsuits by employers that argued that the regulations were outside of the agency's statutory authority. The resulting injunctions shut down H-2B processing for a time in fiscal year 2015. See e.g., "Court Halts Ban on foreign Worker Visas," John Fritze, Baltimore Sun, March 28, 2015, http://www.baltimoresun.com/news/maryland/bs-md-crab-ruling-20150318-story.html.
- 104. United States Chamber of Commerce and ImmigrationWorks USA, "The Economic Impact of H-2B Workers," November 2010 https:// www.uschamber.com/economic-impact-h-2b-workers.
- 105. The employment projections for 2012-2022 by the Bureau of Labor Statistics www.bls.gov/news.release/pdf/ecopro.pdf show that two of the four major occupational groups that are projected to grow more than 20 percent nearly double the overall growth are lesser-skilled occupational groups that do not require post-secondary education: construction and extraction occupations (21.4 percent), and personal care and service occupations (20.9 percent). See Figure 2 at p. 17.
- 106. Id.
- 107. The Essential Worker Immigration Coalition testified about the new proposal at a House hearing before the Committee for Education and the Workforce in March 2013 http://edworkforce.house.gov/ uploadedfiles/reiff\_-\_testimony.pdf.
- Current legal immigration limits were set in IMMACT90, the Immigration Act of 1990, Pub. L. No. 101-649, signed into law November 29, 1990.
- 109. See, e.g., CRS report R42988 "U.S. Immigration Policy: Chart Book of Key Trends" (December 17, 2014), at p. 2. The 675,000 figure represents 480,000 family based immigrants + 55,000 diversity visa lottery immigrants + 140,000 so-called employment-based immigrants that include both workers selected on their skills (about 59,000 annually) and other economic-related immigrants (investors and special categories, such as those who formerly worked for NATO as well as a variety of miscellaneous immigrant programs) and the spouses and minor children of these workers and other economic-related immigrants.
- 110. "Labor migration, excluding accompanying family members, accounts for between 20 and 30 percent in Canada, New Zealand and Australia...[L]abor migration in Europe is above 30 percent in Denmark and the UK, [and]...around 15 percent in Finland, Belgium and Germany..." Amelie F. Constant and Klaus F. Zimmerman, editors "Skill-Based Immigrant Selection and Labor Market Outcomes by Visa Category," in the book International Handbook on the Economics of Migration (Institute for the Study of Labor (IZA), September, 30, 2013) at p. 439.
- 111. Often the total number of "employment-based" immigrants, selected on skills, and economic-based immigrants, like investors and special immigrants, are combined and identified as totaling about 15-16 percent of the annual green cards issued, but this includes spouses and minor children (as well as investors, special immigrant juveniles, former NATO employees and various others in the special immigrant category). Each year only about 6 percent to 7 percent of new LPRs are actual workers, coming to the U.S. because of their skills and the jobs they will perform in the United States.
- 112. For a table explaining the changing landscape regarding employment-based (worker) green card backlogs, go to http://immigration. uschamber.com/uploads/sites/400/USCC\_DOS\_historical\_green\_card\_cut\_off\_dates.pdf. This table compares green card availability for Second Preference advanced degree holders and Third Preference professionals in 2004 (when policy discussions were underway that led to the crafting of immigration bills for the 105th Congress), 2007 (when the Senate vote for cloture failed on consideration of a broad immigration reform bill in the 107th), 2013 (when bipartisan development of what became S. 744 was underway in the 113th), and in 2015 (the beginning of the 114th Congress).

- 113. See DHS Office of Immigration Statistics, Statistical Yearbook, Table 7 http://www.dhs.gov/yearbook-immigration-statistics-2013-lawful-permanent-residents. Based on the Table 7 data, a breakdown was assembled by the U.S. Chamber showing how many workers, dependents, and the other categories of individuals were issued green cards in the most recent fiscal year for which data is available highlighting the paltry allocation for workers needed by employers in the economy http://immigration.uschamber.com/uploads/sites/400/USCC\_DHS\_LPR\_FY13.pdf.
- 114. The first major immigration quotas were set in the Immigration Act of 1921, which based annual limits on a fixed percentage (3 percent) of the total census population of 1910, later amended in 1924 to 2 percent of the population according to the census of 1890. The per-country caps were based on the national origin distribution of the U.S. population according to the same census. This same basic structure continued until 1965. In 1965, Congress replaced an immigration cap calculated as a percentage of the population in 1890 and a distribution based on the national origin of U.S. citizens in 1890. Instead, since 1965 Congress has focused on setting a world wide limitation on total immigration, identifying a fixed number, with a per-country cap equal for every country in the world. Today the worldwide limits allow immigration to the United States of about one million annually.
- U.S. Citizenship and Immigration Services, "Per Country Limit" (Website). Accessed April 15, 2015, available here: http://www.uscis.gov/tools/glossary/country-limit.
- 116. The Visa Bulletin identifies visa availability for green cards and is issued monthly by the Department of State's Immigrant Visa Control and Reporting Division http://travel.state.gov/content/visas/english/law-and-policy/bulletin.html (see Second Preference Employment-Based availability for the example of a native of India with a U.S. graduate degree).
- National Science Foundation, Science and Engineering Indicators (2012). Available here: http://www.nsf.gov/statistics/seind12/pdf/c02. pdf.
- 118. See, e.g., U.S. Department of Commerce, Bureau of Economic Analysis (BEA) for GDP, U.S. Census Bureau for population, and World Bank for GDP per capita figures.
- 119. National Council of Agricultural Employers, 2010 http://www.ncaeonline.org/images/documents/ALRP2011\_brochure.pdf
- 120. See testimony of Professor James Holt before the House Committee on Agriculture at a Hearing to Review the Labor Needs of American Agriculture, October 4, 2007 http://www.gpo.gov/fdsys/pkg/CHRG-110hhrg48999/pdf/CHRG-110hhrg48999.pdf, at p. 5.
- 121. USDA, "Labor-Intensive Fruit and Vegetable Industry Competes in a Global Market," December 1, 2010, http://www.ers.usda.gov/amber-waves/2010-december/labor-intensive-us-fruit-and-vegetable-industry-competes-in-a-global-market.aspx#.VMVrImTF\_Oc.
- 122. Patrick O'Brien, John Kruse, and Darlene Kruse, American Farm Bureau Federation, "Gauging the Farm Sector's Sensitivity to Immigration Reform via Changes in Labor Costs and Availability" (February 2014). Available here: http://www.fb.org/newsroom/nr/nr2014/02-10-14/labor-study14c0207.pdf.
- 123. National Milk Producers Federation, "The Economic Impacts of Immigration on U.S. Dairy Farms," June 2009, http://www.nmpf.org/files/file/NMPF%20Immigration%20Survey%20Web.pdf.
- 124. A summary of the difficulties in the H-2B program http://uscham. com/1IbgZUX explains the complex and ongoing litigation and appropriations moves over the last few years, leading up to the new final wage methodology published April 29, 2015 by DHS, with DOL, and the new interim final program rule published the same day by DHS, also jointly with DOL.
- 125. A "New Immigrant Study" was conducted in 2003 by RAND, Princeton, Yale and New York University tracking extensive information for newly minted LPRs http://nis.princeton.edu/project. html resulting in over 40 publications, technical reports, and working papers, most of which are linked on the NIS-Princeton website http:// nis.princeton.edu/papers.html.

- 126. See, "Uneven Progress: The Employment Pathways of Skilled Immigrants in the United States" (Migration Policy Institute, October 2008), at Figure 3 (p. 27) and Figure 4 (p. 29) http://www.migrationpolicy.org/research/uneven-progress-employment-pathways-skilled-immigrants-united-states.
- 127. Ibid, Figure 1 (p 14).
- 128. For example, the U.S. Chamber Foundation's Center for Education and Workforce does extensive work on getting more businesses, universities, and students interested in "work based learning" as part of "talent pipeline management," and has developed checklists on the subject http://www.uschamberfoundation.org/sites/default/files/media-uploads/checklists\_FINAL.pdf.
- 129. "Undocumented Immigrants' State and Local Tax Contributions" (Institute on Taxation and Economic Policy (ITEP), July 2013) http://www.itep.org/pdf/undocumentedtaxes.pdf. This analysis demonstrates that the undocumented currently contribute about \$10.6 billion annually in state and local taxes, approximately 6.4% of their total income. Contributions by these individuals would rise to about 7% of family income, in line with other taxpayers, if the undocumented were able to change status to work in the United States legally.
- 130. Economic Report of the President 2005, together with the Annual Report of the Council of Economic Advisors (President George W. Bush, February 2005), at Chapter 4, p. 107 http://l.usa.gov/lzUhNqv.
- 131. See Miriam Jordan and Julie Jargon, "U.S. Begins New Crackdown on Hiring Illegal Workers," The Wall Street Journal, Sept. 12, 2013, where Macy's Department Store chain agreed to pay fines and revise employment policies after workers complained about discriminatory practices involving immigrant workers, leading to a Justice Department investigation.
- 132. The Swift Meatpacking plant raid is often cited as the preeminent example of business disruption due to the hiring of illegal immigrants. See Roger Tsai, "Worksite Enforcement and E-Verify," in the book Navigating the Fundamentals of Immigration Law (American Immigration Lawyers Association, 2013-2014 edition). See, Miriam Jordan, "Chipotle Hiring Probe Expands," The Wall Street Journal, May 4, 2011, where due to an ICE audit of company records that revealed primarily I-9 paperwork violations, Chipotle terminated 400 workers in Minnesota and 40 in Washington, D.C., and David Jamieson, "Chipotle, Undocumented Workers, and the Trouble with 'Enforcement-Only' Immigration," The Huffington Post, July 11, 2011, quoting Miguel Bravo, an illegal immigrant who was terminated by Chipotle who later sought and obtained new employment in the U.S. See also Miriam Jordan and Julie Jargon, "U.S. Begins New Crackdown on Hiring Illegal Workers", The Wall Street Journal, September 12, 2013, where a Minnesota food production facility had used the E-Verify system for over a decade but was later informed by ICE that more than half of its workforce had paperwork problems.
- 133. "The Budgetary and Economic Costs of Addressing Unauthorized Immigration: Alternative Strategies," by the American Action Forum (March 2015) http://americanactionforum.org/research/the-budgetary-and-economic-costs-of-addressing-unauthorized-immigration-alt.
- 134. "Immigration Reform: Implications for Growth, Budgets, and Housing" (Bipartisan Policy Center, October 2013) http:// bipartisanpolicy.org/wp-content/uploads/sites/default/files/BPC\_ Immigration\_Economic\_Impact.pdf.
- 135. Former CBO Director Douglas Holtz-Eakin, quoted in The Atlantic (March 6, 2015) http://theatln.tc/1wecFm8.
- See compendium of articles in "Is Immigration Good for America?" (Cato Institute, February 2012) http://www.cato.org/cato-journal/winter-2012.



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