Reuters

Tech industry cautiously welcomes Senate immigration bill

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By Alina Selyukh

WASHINGTON (Reuters) - Tech industry officials welcomed a bipartisan U.S. Senate immigration bill on Tuesday, saying they hoped it would make it easier to hire highly skilled workers from abroad, while laying the groundwork to renegotiate portions they oppose.

The bipartisan "Gang of Eight" group of senators released highlights of the bill, backed by President Barack Obama, that seeks to reform the immigration system and nearly doubles the quota for H-1B visas for skilled workers.

For months, the tech sector has ratcheted up pressure on the U.S. Congress to make highly skilled immigration rules more flexible, arguing that there are not enough highly skilled American workers to fill its growing number of specialty job openings.

"This really does a lot to address our concerns about being able to hire workers when we need them," Intel Corp (INTC.O) policy director Peter Muller said in an interview on Tuesday. "We're certainly going to be looking into details of this going forward ... but in terms of the big picture, we're very encouraged and pleased."

The bill did not propose raising the number of H-1B visas as high as 300,000, as big tech companies had sought in the past, but it would allow the cap to rise to as high as 180,000 in future years, and sets aside 25,000 such visas for graduates with degrees in science, technology, engineering and math.

Companies will likely appreciate some provisions of the bill, including loosening of green card or permanent residency provisions, said Stuart Anderson, executive director of the **National Foundation for American Policy**, a think tank backed by the pro-entrepreneurship Kauffman Foundation and others.

"But the H-1B provisions will be considered a disaster," he said, citing measures including expanded Department of Labor authority to investigate companies over their decisions to hire H-1B workers.

"Trying to defend yourself for something that has a large degree of subjectivity could be a problem for some companies," Anderson said.

AWAITING FULL TEXT

Most companies and tech groups, including the new group FWD.us formed by Facebook Inc's (FB.O) Mark Zuckerberg to lobby on the issue, withheld comment awaiting a review of the full text of the bill.

"We're very encouraged that they produced a bill and we see a lot of positives, but we do have some concerns we hope to see worked out," said Dan Turrentine, vice president for government relations at TechNet, a group representing such companies as Google Inc (GOOG.O), Cisco Systems Inc (CSCO.O), Apple Inc (AAPL.O) and Yahoo! Inc (YHOO.O).

Tech companies will be watching several provisions in the bill that risk becoming hindrances to prompt hiring, including new requirements to pay H-1B visa holders higher wages and to recruit American workers prior to hiring foreigners.

Both provisions seek to address the concerns of workers' groups that oppose raising the number of H-1B visas, saying companies use the visas as a way to hire cheaper workers who lack job mobility.

"We appreciate that the Senate Gang recognizes that serious problems with the H-1B program can be resolved by more STEM green cards, delivered faster," said Marc Apter, president of IEEE-USA, which represents U.S. engineering, computing and technology workers, in a statement.

"In fact, the proposed increases in green cards make H-1B increases unnecessary," Apter said.

The bill also includes provisions that would hurt so-called "H-1B-dependent" companies, like many IT outsourcing firms that employ high numbers of H-1B visa holders - programmers they temporarily hire out to corporate customers.

Those outsourcing firms could have to pay higher fees and wages than companies that depend less on H-1B workers, like Apple, Google and Facebook.

A spokesman for Tata Consulting Services, an outsourcing company, said he could not comment before seeing the full bill.

"We think it's very reasonable to add additional requirements to the users of the H-1B visa, but those also have to be workable requirements, so that's something we're going to pay close attention to," said Intel's Muller.

"But we know it's going to be a long process ... and as a starting point, we're really encouraged."

(Additional reporting by Noel Randewich and Sarah McBride in San Francisco; Editing by Fred Barbash and Todd Eastham)

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