

# Transcript of Senate Judiciary Subcommittee on Immigration, Refugees and Border Security Hearing on Immigration Reform and Economic Imperatives

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Hearing Held on July 26, 2011

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SCHUMER:

Good morning, everybody and our hearing will come to order.

Senator Cornyn and I will make an opening statement and then we'll go right to the witnesses. And Senator Grassley has asked to make an opening statement as well and so please do.

OK. Anyway, today's hearing is on the Economic Imperative for Enacting Immigration Reform. And I'm often asked why I'm so adamant about passing immigration reform.

My answer is always that I believe there are two issues that will determine America's global competitiveness for the 21st century. This is in the long term.

Education and Immigration. Our economics' supremacy arose because our schools successfully developed America's best minds and our immigration successfully attracted the world's best minds.

But now, the world is far more competitive. Students in countries around the world are outperforming US students in Math and Science.

At the same time, our competitors are enacting immigration policies that offer scientists and engineers from around the world up to \$250,000 to immigrate in order to deploy their talents and skills for the good of our competitors' economies.

If we do not enact an immigration policy that continues to attract the world's best minds, we will cease to be the world's economic leader.

Not only will our economy be at great risk, eventually, our national security will as well. Unfortunately, our broken immigration system actually discourages the world's best and brightest minds from coming to America to create jobs.

Here's the problem. Every year, according to the Institute of International Education, there are about 250,000 foreign students enrolled in our American universities to study Science, Technology, Engineering and Math, that is known as STEM subjects. Foreign students represent the majority of our degree recipients in these subjects.

So what happens to these students after they graduate from our colleges? Are we putting them to work to invent new technologies that would employ American workers? No, we're not. Instead,

we're telling these folks to return to their home countries to compete for a limited number of temporary visas known as H-1Bs.

Even if you're lucky enough to obtain one of these visas, the visa is temporary, does not allow your spouse to work in the country and does not permit you to earn a promotion or switch jobs unless the Immigration Service approves a lengthy second application filed by your employer.

If you were a smart student at the top of your class and in demand globally, would you want to stay in America under these circumstances? Unfortunately, the answer is also no. It's time for our immigration policy to reward hard work and to foster job creation rather than discourage it.

The immigration proposal that we are working on will ensure that the best and brightest students from around the world in Science, Engineering, Technology and Math, who study in our universities can stay here after getting degrees.

And by the way, it's good news that the brightest students still want to come to our higher education, they do, and we get many more applicants than we have people who can be admitted. But then, we send them home. It just doesn't make any sense if we want to stay the greatest economic power in the world.

So, how do we do this? Well, after they study in our universities, they'll stay here after getting their degrees. We'll do this by virtually stapling a Green Card to their diploma.

The Green Card will allow those students to start new companies, change jobs if a better opportunity exists and allow their spouses to work in the country. But as this hearing will make clear today, fixing our broken immigration system is not just about attracting highly-skilled immigrants to the country.

Study after study is showing that even the immigrant who comes here with little or nothing in order to make a better life for his or her family, just as many of us or our ancestors did, is also critical to making America a more vibrant and economically successful country. As some of our local mayors will discuss here today, immigrants are renewing many of our rust-belt communities that were once seen as having no hope for the future.

The Federal Reserve Bank of Boston recently released a report which said that in the top 10 "resurgent cities" in the nation defined as rust-belt cities that have made substantial progress in improving living standards for their residents. The immigration population in those cities increased from 4.5 percent in 1980 to 15 percent -- more than 15 percent today.

And a recent study from the Kauffman Foundation showed that immigrant-owned businesses jumped from 13.4 percent of all new businesses in 1996 to 29.5 percent of all new businesses in 2010. Just listen to that, from 13.4 immigrant-owned businesses -- new immigrant-owned businesses jumped from 13.4 percent to 29.2 percent between 1996 and 2010. And these are not big businesses.

They may be a restaurant, they may be a dry cleaner, but they employ people and create economic vitality as immigrants for generations of America have done.

So unlike those who attempt to fearmonger the issue of immigration, I am not at all concerned that people want to come to America. I am much more worried about the day they no longer find America attractive.

I am confident that our distinguished panelists today will help us better understand the urgent need we face to reform our immigration system in a manner that will grow our economy by attracting those who want to come here to start a business or contribute their innovative skills and talents to keep America's economy strong.

The purpose of this hearing, immigration is a job creator. That's the key and it's vital that we reform our immigration system to keep America the greatest job engine in the world.

I'd now like to call on Senator Cornyn.

CORNYN:

Well, thank you, Mr. Chairman, for holding this hearing.

I think it's very important, and I agree with much of what you said in your opening remarks. It may seem a little strange though to people listening to be talking about immigration reform bringing foreign nationals to the United States at a time when our unemployment rate is 9.2 percent.

But as we all know, there was a scarcity of qualified people for many jobs particularly high tech, those requiring special skills and those, of course, are the target -- should be the target at the H-1B program.

But we should assure every American and all Americans that we will never hire, never allow to be hired a foreign national under the H-1B program where there is a qualified American ready, willing and able to do that job and, in fact, that is illegal.

But we're going to hear today and I know Senator Grassley has taken a particular interest in trying to root out some of the fraud associated with this program and we need to make sure that happens.

But it's hard to ignore the benefits to our nation of attracting high-skilled talent. For example in Texas, one study reports that one of every five technology companies was founded by an immigrant. And we all know the success stories of Intel, eBay, Yahoo and Google, American companies founded in part or in whole by immigrants, which, of course, now employed thousands of workers.

It's a fact that America's lack of a sensible and coherent high- skilled immigration policy is causing our nation lose too many entrepreneurs and job creators to our competitors abroad, who are more than happy to take advantage of our failure to compete effectively for this talent.

It's also a fact that in order to remain competitive in today's global marketplace, U.S. companies must have access to high-skilled temporary labor pool from abroad which includes top foreign national -- foreign graduates who are educated in American universities.

The Federal Reserve Bank of Dallas recently summed it up this way. They said the future of U.S. prosperity depends on having a skilled workforce. This requires educating the native-born population and continuing to attract the world's best and brightest to the United States. For decades, the nation has been the world leader in attracting skilled immigrants, who until recently had few good alternatives.

Today, other destination countries increasingly recognized the economic benefits of these workers and our designing policies to attract them even as immigrants' nations of origin seek ways to entice them to return home.

The Dallas Fed has also noted that U.S. Immigration System has not kept up with global competition, that piecemeal fixes have turned the current wall into a web of outmoded, contradictory and inefficient quotas, rules and regulations.

And one example, the number of high-skilled immigrant workers admitted on a temporary visa has doubled since 1996, but the number of employment base, permanent residents' visas or Green Cards has remained roughly the same. As a result, the rate for employment-based Green Cards extends now to more than a decade.

It's not known how many high-skilled immigrants are turned away by the broken system the U.S. -- the Federal Reserve says, but the U.S. risked falling behind in the global race for talent if immigration laws are not reformed. The economist aptly called this America's Policy of National Self-Sabotage.

I put forward several proposals in the past to try and remedied this problem including the SKIL Bill in 2007 and the Global Competitive Act in 2008. These include modest but sensible increases to H-1B temporary worker visas, recapture of unused temporary and permanent visas and increased access to Green Cards for high-skilled immigrants.

I'll look forward to hearing from the witnesses on their own ideas for addressing this problem.

In 2006, almost five years ago, I chaired a hearing of this subcommittee when my party was in the majority and I was chairman and not ranking member. The title of that hearing was...

(LAUGHTER)

CORNYN:

..."Hope to Return Someday."

(LAUGHTER)

CORNYN:

U.S. -- that hearing of that subcommittee then was called "U.S. Visa Policy, Competition for International Scholars, Scientists and Skilled Workers." It took place in Richardson, Texas on the campus of the University of Texas at Dallas.

University of Texas at Dallas continues to be one of the nation's leaders in producing high, a top notch Science, Technology, Engineering and Math graduates. Its graduates include STEM students who are U.S.-born and a sizable percentage of foreign students, who are visa holders. Eighty-two percent of all UTD graduates earned degrees in Science, Engineering, Business, Math and the key disciplines that the region needs to compete in the global economy.

Mr. Chairman, I would ask consent to place a few items in the record and without objection. First, the report by the Dallas Federal Reserve that I cited earlier. Secondly, an op-ed piece by Geoff Wurzel in the San Antonio Express News titled "Highly-Skilled Immigrants Should Be Part of a Debate" and an editorial from the Dallas Morning News entitled "Exporting Jobs, Green Card Hassles Drive our Brightest Overseas."

And let me conclude, Mr. Chairman, by saying I couldn't help but notice that President Obama spoke again to La Raza, where he used that form to criticize congress for lack of action on immigration reform.

Indeed, it was in July 2008 when then-candidate Obama before he was president said that if elected, he would make immigration reform -- comprehensive immigration reform a top priority.

Well, I think it's clear at least to me that he has not done so, and we need to find a way to try to work together to solve this particular aspect of our broken immigration system, but I am committed once again to working with you to fix the entire system, which does not serve the best interest of the United States of America.

SCHUMER:

Thank you, Senator Cornyn.

And we are joined not only by a member of the subcommittee but he is the ranking member of the full committee and so out of respect for him and that position, we're going to let Senator Grassley do an opening statement, and then we'll get right to the panel.

GRASSLEY:

All right. Thank you very much, Mr. Chairman.

And also I will have some inserts and a short statement I'm going to give, but I have a longer statement as well. And I'd like to insert that and because I do have other responsibilities, I may not be back here to ask questions. If I don't get back to do what I would submit questions for answer in writing and I'm very glad to be here not only to thank you for holding this hearing but also to recognize President Skorton, who's a friend of mine and who was, for 25 or 30 years, at the University of Iowa including a presidency there before he moved to New York, and well, Iowa has lost this New York's gang. If there's any way we can get him back, well take him back. Anyway, keep sending the money to Cornell now.

(LAUGHTER)

SCHUMER:

Anyway, without objection, Senator Grassley's entire statement will be right into the record and the inserts that he mentioned.

GRASSLEY:

For years, our country has struggled to find a way forward on immigration reform. Americans are out of work, families are being foreclosed on, businesses are suffering, and I agree that we must do all we can to improve our economic situation.

However, I have concerns with the notion that increasing immigration levels and enacting legalization programs is an answer to our current economic downturn. We know it's unlikely that this administration will push immigration reform at least the next year and a half. However, it's my firm belief that we can find agreement on reforms for high-skilled workers, and this hearing is a good first step in that discussion.

I spent a lot of time and effort in ruling out fraud and abuse in our visa programs especially H-1B and the L visa programs. I've always said these programs could and should serve as a benefit to our country, our economy and our U.S. employers.

However, it is clear that they're not working as intended and the programs are having detrimental effect on American workers. For this reason, for many years, Senator Durbin of Illinois and I have worked in the bipartisan way on legislation to close the loopholes in the programs, among other things.

The H-1B and the L-1 Visa Fraud and Abuse Prevention Act would ensure American workers are afforded the first chance to obtain the available high-paying jobs and high-skilled jobs. The bill would strengthen the wage requirements, ridding the incentives for companies to hire cheap foreign labor. Our bill would also require companies to attest that they have tried to hire an American worker before they hire a foreign worker.

The attention that Senator Durbin, I and others have put on the H-1B program has had an impact already without the legislation passing. Our efforts have increased scrutiny, forced bad actors to find other ways to enter, live and work in the United States under false pretenses.

The increase oversight of the H-1B program, for instance, has caused the businesses to, quote/unquote "think creatively" to get around the program using both the L and the B1 visa to bypass the requirements and protections under the H-1B visa program.

Recently, this scenario came to light when an employee in Infosys filed a complaint alleging that his employer was, quote, "sending lower level and unskilled foreigners to the United States to work in full-time positions at customer sites in direct violation of immigration law", end of quote. The complaint further states, quote, "Infosys was paying these employees in India for full-time work in the United States without withholding federal or state income taxes," end of quote.

Infosys, one of the top 10 H-1B petitioning companies has worked to creatively get around the H-1B program by using the B1 business visitor visa in order to bring in low-skill and low-wage workers.

That plaintiff, Jay Palmer, has written a statement and I asked -- unanimous consent have already done to put that in record. The courts will decide if the activities of the Infosys were illegal. But I can definitively say that their actions don't comport with the spirit of the law.

Also, troubling to me is the Optional Practical Training Program, often called OPT. This is a program that was created solely through regulation.

OPT allows foreign students the ability to further their knowledge by working in the United States for an extra 12 to 29 months before returning to their home country. There is no limit on how many can apply for OPT, and more importantly, it is the schools and universities that principally administer the program.

There are a very few checks and balances resulting in a potential national security risk. We've had 95,259 OPT petitions approved in fiscal year 2010. More scrutiny must be placed on this program.

Finally, I'd address the idea being voiced by many immigration advocates and some members of the House of Representatives. As part of the solution to the American immigration problem, some policy makers have proposed the idea of giving foreign student a Green Card upon graduation.

In their opinion, this would prevent the loss of the resources put into these students. Now, who can argue with that point of view? While it is important to keep the best and the brightest getting a degree from U.S. institutions and universities should not equate to a fast track citizenship for all.

Should this happen, the demand for enrolment at U.S. universities by international students would only increase and further erode the opportunities of American students. Universities would be, in essence, become visa mills.

I will continue to voice for more reforms in our immigration system to ensure Americans are the number one priority and the students are afforded every opportunity that they deserve.

I also would further say that part of my unanimous consent request was statements of American workers from across the country, who have written to me on this subject. Thank you.

SCHUMER:

Thank you, Senator Grassley.

And the comprehensive bill we are continuing to work on would deal with H-1B reform in a very significant way. I couldn't agree with you more that there are companies that abuse it. It's one of the reasons in the bill protecting the border last year. We paid for part of that with an increased fee on those companies. They didn't like it, but I thought I was appropriate.

OK. We'll now go to our witnesses, distinguished panels, both of them. I'm going to introduce all five and then ask each of them to speak for no more than 5 minutes and we'll put your entire statements into the records.

So, from the left -- from my left to my right, Robert Greifeld is the Chief Executive Officer of NASDAQ OMX Group, a position he's held since 2003.

NASDAQ is the world's largest exchange company with trading, technology and public company service capability spanning six continents, has headquarter in New York City, has nearly 2,500 employees, and serves at the marketplace for many of the world's largest and most successful technology companies and advocates for those companies.

David Skorton, former President of the University of Iowa, is now President of Cornell University, one of the greatest universities in the world. He's been president since 2006 -- not to say University of Iowa isn't, by the way. He was a faculty member at Iowa before being president for 26 years, and he's passed share of the Business-Higher Education Forum, an independent non-profit organization comprised of Fortune 500 and other CEOs, leaders of colleges and universities and foundation executives.

Brad Smith is Microsoft's General Counsel and leads the company's Department of Legal and Corporate Affairs, plays essential role in ensuring that Microsoft fulfils its corporate responsibilities and is responsible for the company's legal work, its intellectual property portfolio, patent licensing and its government affairs and philanthropical work.

Dr. Puneet Arora is the Clinical Research Medical Director at Amgen. In this capacity, works on development of new medicines for the treatment of osteoporosis and is responsible for planning

and execution of large multinational clinical trials. He's completed 15 years in the United States and is still awaiting his Green Card.

Dr. Ronil Hira is an Associate Professor of Public Policy at RIT, the Rochester Institute of Technology, another one of the greatest universities in the world, where he teaches courses on technological innovation, communications and public policy. He's a licensed professional engineer, a research associate with the Economic Policy Institute and a co-author of a book entitled "Outsourcing America."

Gentlemen, all your statements -- your entire statements will be read into the record, and we'll now start with Dr. Greifeld. Welcome.

GREIFELD:

Thank you, Chairman Schumer and the ranking member, Cornyn, for the invitation to speak to you this morning.

In May of 2008, my frustration with the state of affairs on our immigration policy led me to write an editorial that holds true today. It bothers me dearly that Lady Liberty's message of welcome no longer resonates and we placed quotas, inexhaustible red tape, and in many cases, deportation in the path of the best and the brightest, who are anxious to contribute to our free market economy.

Since 2008 when I wrote that editorial, three June classes have graduated from school and too many talented people have left or been forced to leave this country. Out of about 50,000 advanced Math and Science students, those who have a long tradition of activities that create jobs, we lose about one-third, about 17,000 each in every year.

I fervently believe to help our country, Congress should, one, see immigration reform as a pressing jobs issue, that current legal immigration regime is inadequate and its cost is robbing America of the next great -- generation of great companies. A sobering fact is that Google, Yahoo and eBay, many of the job drivers of the last 20 years, would likely not be founded in America today under the current system.

Two, we need to debate legal immigration on its own merits. Do not link it to reform of illegal immigration laws. Americans are losing jobs and opportunity while we let one issue drag down the other. I understand and agree that we need to reform the entire immigration system, but given the urgency of our economic situation, we can't afford to continue to wait for grand plan that may not be achievable.

Three, we need to enact a more flexible and stable regime for legal immigration. Reform must convey economic priorities about job growth and global competitiveness. Increasing H-1B visas is simply not enough. We need to admit and keep entrepreneurs here so that the creative dynamic of our economy is in the hands of the very best skills and minds. The default should be yes, not no.

This is an issue I am passionate about because I know that as a CEO, NASDAQ relies on one critical raw material for its economic vitality, entrepreneurs. Entrepreneurs take ideas and turn them into companies and those companies grow up to become listed on NASDAQ. Existing NASDAQ companies hire brilliant people who solve problems, invent and improve their company making them stronger and its employment base grow.

Our economy in NASDAQ itself has been directly benefitted from the contributions of foreign-born talent. Among Fortune 500 companies, we found at least 14 NASDAQ companies with foreign-born founders. These companies have created over \$522 billion in market capitalization and employ almost 500,000 workers.

Markets, including human capital markets, work best when there is certainty. Uncertainty always creates distortions whether it's in the derivatives market waiting on rules or the rules from regulators, the equity markets waiting for Congress in the present degree on fiscal policy or labor market participants that look to our restrictive, sometimes arbitrary and unwelcoming immigration system as they decide where and where not to take their talents.

In countries like India and China, they actively recruit graduates in qualified researches for their expertise and abilities, paying top salaries and other benefits to get graduates to return home to help their economies grow. The competition for smart, capable Math and Science graduates is a global one.

Let me take the job-stealing issue head on. Opponents of enhanced legal immigration argue that when a foreign-born, highly- skilled immigrant gets a job, American graduates are the losers. But my research and experience tell me quite a different story. For example, the National Federation for American Policy says that for every H-1B worker requested, U.S. technology companies increase their overall employment by five workers.

I was in Silicon Valley last week and virtually every company I met said they had more engineering jobs than qualified applicants. These are jobs that are, in fact, advertised including a website [startuphire.com](http://startuphire.com) which caters to venture capital-backed companies. They have over 13,000 job openings posted right now.

In this week's San Jose Business Journal, I read that the State of California released a June employment report that noted just in the San Jose metro region, Apple had listed 868 jobs, eBay 617, Google 582, and Yahoo 571 jobs they're not going to fill.

Well, we keep the best and the brightest graduates here, they help employment here. Briefings reports that as a result of immigration, 90 percent of native-born Americans with at least a high school diploma have seen wage increases.

Companies have little choice about the skill they need to hire but the immigration system can, in fact, determine where they locate their employees. It is better for all of us if they build their research and developments centers here. Many companies can, if needed, locate people in Canada, Europe, India or any country that wants those jobs and the benefits they bring.

Where in Silicon Valley, Austin, Chicago or anywhere else in the United States I hear from CEOs that the H-1B visa system is inadequate for today's human capital marketplace and the backlog for Green Cards and what they mean to the quality and the uncertainty of the lives of these foreign-born employees is a legitimate threat to their businesses.

Employers no longer have to locate jobs and workers because of physical capital to support those jobs. Human capital is highly mobile. In stamina, the high tech workers are just a plane ticket or internet connection away.

I know I'm over time here, so what I want to speak to at the end is just that we certainly recognize that we need to improve the education system.

We certainly recognize that we need to ensure that these programs are properly policed and adequately run. But we have to employ you to find a legislative solution to make improvements in this area, making our legal immigration system work for us, or raise revenue, increase our productivity, create very good jobs, and make us more competitive.

Thank you.

SCHUMER:

Thank you, Mr. Greifeld.

SKORTON:

Good morning, Chairman Schumer, and Senator Cornyn, and members of the subcommittee. And I thank Senator Grassley for his leadership, friendship, and kind remarks.

Cornell University, located in Ithaca, New York, with campuses or programs in New York City; Geneva, New York; Appledore Island, Maine; France; England; Italy; Singapore; India; China; Tanzania, Qatar, and elsewhere, is the largest and most comprehensive school in the Ivy League and the land-grant university for New York State. Our enrollment is approximately 22,000 students from students from every state in the union and more than 120 countries studying under an internationally renowned faculty.

The Association of American Universities, for which I am proud to also be speaking, is a non-profit association of 59 leading U.S. public and private research universities and two Canadian universities. AAU's 59 U.S. members perform 54 percent of federally- funded university-based research and award more than half of all doctoral degrees earned in our country.

We all want to thank Chairman Schumer for calling this important hearing, and I thank you for inviting me to share my perspective.

I have the privilege, Senator, of being a member of the National Security Higher Education Advisory Board, a group of some 20 university presidents and chancellors appointed by the director of the FBI to meet with senior officials of the bureau and other agencies to discuss issues of national security related to higher education. Prominent, among which, are issues related to immigration policies and procedures.

Through this board, I have gained an appreciation of the importance of ceaseless vigilance to maintain national security, but I have also learned of the need for balance in our approach to this volatile set of issues, and I applaud you for seeking that balance.

The issue was a personal one for me. I'm a first-generation American, the son of immigrants, and my father took it for granted that through hard work, adherence to the law, and an earnest desire to become an American citizen, he would create a better life for himself and his children. My own life and those who have countless other first-generation Americans have proven him right.

But the recent debate, however, suggest that many Americans have stopped seeing immigration as an integral part of the American dream.

We cannot afford to close off United States from the rest of the world, and we must reach a consensus on comprehensive immigration reform that balances our physical and economic security with the realities of our growing immigrant population and our changing national workforce.

American colleges and universities are educating a record number of international students. According to IIE, there were 690,000 international students in the U.S. in '09-'10 -- a three percent increase, and at Cornell, currently 18 percent of our student body are international students.

In the 21st century, the American relationship with international students has, of course, become more complex as national security concerns have risen. There is a real cause for concern, however, if the U.S. does not remain the top choice for students from around the world who want to apply to graduate studies in science and engineering.

Contrary to concern expressed by some critics, there are not enough qualified or interested American students to fill all the slots in STEM undergraduate and graduate programs, nor in the workplace. The most difficult immigration issues, as you've heard, arise when international students graduate and want to enter the U.S. workforce.

While some students always intend to return home, others may want to stay here to work, to invent, to innovate, to start companies, to create jobs, and thereby, to contribute to the economic growth of our country.

We know from our career placement offices and alumni associations that U.S. companies want to hire Cornell's international graduates. Not surprising, as you've heard, when foreign-born inventors are responsible for a large share of companies and start-ups.

And I want to have a quote from a colleague of mine, Bill Swanson, Chairman and CEO of Raytheon, "Raytheon, like the nation, depends upon highly educated and experienced STEM graduates -- many at the doctoral level. Foreign nationals with these qualifications with appropriate immigration status are critical into the country's competitiveness."

The Partnership for New York economy, a national bipartisan group founded by New York City Mayor Michael Bloomberg that includes more than 300 mayors and business leaders has compiled some impressive statistics, including that more than 40 percent of the current Fortune 500 companies were founded by immigrants or their children, and more than a quarter of all technology and engineering businesses launched between 1995 and 2005 had an immigrant founder.

Immigrant STEM graduates help fill projected job shortages. McKinsey Global Institute projects that as many as 190,000 positions for data analytics experts such as industrial engineers and mathematicians will go unfilled in the U.S. by 2018.

Our immigration policy is, right now, causing us to lose international graduates and other highly motivated individuals to countries including England, Australia, and Canada, countries that encourage and promote immigrant entrepreneurs with streamlined visa application processes, more flexible pathways to permanent residency or citizenship.

To sum up, I believe that Congress should pursue four imperatives, and I support the administration and, specifically, Senator Schumer's efforts in this regard.

Number one, we should create a streamline green card process for international students who graduate with STEM degrees from U.S. universities.

Two, we should reduce the backlog of skilled immigrants waiting to become permanent residents by increasing the number of employment- based visas.

Three, we should enact policies and procedures that allow families to stay together and allow for reasonable visits back home without too much red tape upon return.

And four, I believe we should pass the DREAM Act. Even though the DREAM Act is not the subject of this hearing, it is vitally important that undocumented children who are in the U.S. through no fault of their own be given the chance to earn citizenship through hard work either in college or military service.

Chairman Schumer, I thank you again for your work, for the opportunity to testify. And at the right time, I'm more than pleased to answer questions. Thank you.

SCHUMER:

Thank you, Mr. Skorton. And now, Mr. Smith.

SMITH:

Well, thank you, Chairman Schumer, Ranking Member Cornyn. It is a pleasure for me to be here. We've long worked on comprehensive immigration legislation and we welcome the opportunity to talk a bit this morning about the issues relating to high-skilled immigration.

You know, Microsoft have subsidiaries in about 120 countries around the world. We're one of the most global companies on the planet. And if there's one thing we see everyday it's this -- the world economy has changed. It used to be that people would move in search of the right jobs. But increasingly, jobs move in search of the right people. If a country wants to create jobs, it has to scale up its people.

This was underscored by a recent study at Georgetown University. It showed that in 1973, only 28 percent of the jobs in the United States required a post-secondary education. But by 2008, that had risen to 59 percent. And the study estimates that by 2018, a full 63 percent of all jobs in the United States won't require a post- secondary education. We need to scale up as a nation and yet, we're falling short today.

Senator Cornyn, as you mentioned, we have a 9.2 percent unemployment rate in the country. But in many ways, what is even more interesting is this. According to the Bureau of Labor Statistics last month, the unemployment rate for individuals who have only a high school diploma is 10.0 percent. The unemployment rate for Americans that have a college degree or more is less than half of that -- it's 4.4 percent.

So in short, we not only have a jobs problem in this country, we have a skills problem. And the fundamental question for the country is how to address this skills gap.

Senator Schumer, I think you've put it right on the nose. What we need to do is two things -- we need to invest in education, and we need to address immigration. We will wholeheartedly agree that our top priority should be education.

That's why we, as a company, and many other companies in our industry are investing our own dollars in helping to improve education in the country. That's why Microsoft alone, over the last year, has announced new investments on the order of roughly \$100 million to support scholarships, to support schools, and to support students.

And yet, unfortunately, we also see that while education is a long-term goal, it is also a long-term process. It is going to take a long time to get where we need to go. We need immigration and we need immigration reform in the interim.

Certainly, we as a company, see the benefits that come when we can create world-leading R&D centers in the United States where we employ a large majority of Americans but bring these leading American employees together with some of the best and brightest talent from the rest of the world as well.

As a company, we employ 54,000 people in the United States and they create jobs not only for themselves, but for others in the economy as well.

Last year, the University of Washington estimated that with a 5.81 multiplier effect, the 54,000 employees at Microsoft create 267,000 jobs elsewhere in the U.S. economy. It's the type of thing we can do solely because we can bring people of talent together and enable them to work in one place.

If we're going to continue to create these jobs, we need high- skilled immigration reform. And in particular, we think it's important for this reform to focus on three things.

First and foremost, addressing the green card backlog that you've heard about this morning.

Second, we think it's important to address and modernize, as you've heard, the visa system for students so that they have greater ability and greater incentive to stay in the United States.

And third, we need to ensure that our temporary visa programs remain healthy, that we address fraud, that we prevent abuse, but that we also ensure that demand and supply move forward together.

Ultimately, we want to create more jobs in this country. Microsoft spends more money on research and development than any other company in the world -- \$9.6 billion. Today, we spend 83 percent of that money to create jobs in one country -- the United States. We want to continue to create jobs in this country. We need the help of this Congress to do so.

Thank you.

SCHUMER:

(OFF-MIKE)

(LAUGHTER)

(UNKNOWN)

Yeah, I know.

SCHUMER:

(OFF-MIKE)

ARORA:

Distinguished Chairman Schumer, ranking member Cornyn, and distinguished members of the committee, it is a moment of great privilege for me and a moment of great education for me to be here in front of this august panel on behalf of Immigration Voice and, really, on behalf of highly skilled workers and their families that are patiently awaiting permanent resident status in the United States.

Immigration Voice is a grassroots organization of highly skilled immigrant workers that have come together to advocate for change in the current system. I thank you deeply for this opportunity to present my views.

I would like to address with you the problems faced by one million highly-skilled immigrant workers and their families who live and work in America, who see themselves as future Americans and have been gainfully employed for a decade or more, but find themselves in lines for green cards.

Our community has invested in America with diligence, innovation, productivity, with our (inaudible) and with our future. Our children were born in the United States.

In 1996, I began a medical residency program at the Southern Illinois University School of Medicine in Springfield, Illinois. This was followed by a fellowship in endocrinology, diabetes, and metabolism at the New York University School of Medicine, thus, moving me to one of the greatest cities in the world.

This was followed by a fellowship in advance diabetes at the Mayo Clinic in Rochester, Minnesota, the greatest center for endocrinology in the world, and a dream come true for me.

I was awarded a master for biomedical science degree in clinical research by the Mayo Graduate School in 2005. In the year 2003, I joined clinical practice with the Health Partners Medical Group in St. Paul, Minnesota, and took up significant teaching responsibilities and was appointed assistant professor of Medicine at the University of Minnesota Medical School.

My practice in a medically underserved area with a substantial population of indigent patients qualified me for a national interest waiver. However, a harsh interpretation of the statute by USCIS prevented me from this until the year 2007 when it took lawsuit to finally overcome the immigration agency's provision.

In late 2008, I was offered a position of clinical research medical director at Amgen, the world's largest biotechnology company. I was able to accept this offer only because of a small window of relief offered in July of 2007 that allowed me to take work authorization. Without this, it's likely that I wouldn't have made it to California.

Many of my colleagues at the Immigration Voice were not so fortunate. And to this date, they lack this kind of job mobility.

In June, this year, I celebrated 15 years of life in America. My green card application, meanwhile, is gathering dust somewhere. Let me take a moment to tell you why is that so.

Congress has allotted 140,000 employment-based green cards for immigrant workers and for their families every year, but no country can receive more than seven percent, which makes less than 5,000 in a year across all skill categories regardless of size, population, and ability to provide skilled workers. As a result, those in our community with entrepreneurial ambitions are held back and their energies are dissipated.

I therefore, respectfully, recommend that this panel consider the removal of per country caps in the employment-based system. An independent task force on immigration policy for the Council for Foreign Relations has specifically recommended eliminating the nationality quota of such skilled workers. The benefit of this measure would approve to only one nation in the world, the United States of America.

I would like to respectfully ask this panel to consider the recapture of unused green cards that number over 300,000 across the family and employment-based categories. Many of you -- and Senator Cornyn, Senator Schumer, both of you have proposed innovative solutions, which I wholeheartedly support, including the exemptions for U.S. STEM advanced degree graduates, exemptions for family members from numerical quotas.

Senator Conrad has proposed a bill that would exempt physicians that provide service in medically underserved areas, which is in the national interest.

Frustration with the U.S. immigration system sent Wharton graduate, Kunal Bahl, back home in 2007 when he went and founded snapdeal dot com. This is a rapidly growing company with over \$20 million in annual revenue, over 400 workers, and growing at the rate of 70 workers a month.

This India's equivalent of Groupon has made the U.S. venture capitalists like Vinod Dham, the father of the Intel Chip, investing significantly in it. Reports from India and China suggest that this is not an isolated example, this is a growing trend.

We often hear concerns that foreign-bond workers are taking jobs and are stalling the economic recovery. Instead, I'm here to represent the community that has held steady employment for years now in areas with widely documented workforce needs -- as in my case.

A study conducted by Duke University concluded that between 1995 and 2005, 25 percent of start-ups in Silicon Valley had, at least, one immigrant founder and generated more than \$52 billion in sales in 2005 and created just under 450,000 jobs. It is clear that highly-skilled immigrants are indeed job creators and they add more jobs to this economy than the jobs they occupy.

We have tied our futures to the U.S. economy and our children's futures as well. Therefore, the growth of America's economy and the availability of jobs in America is of great significance to all of us. We want nothing more than to see America prosper and grow while remaining the most welcoming nation on the face of the Earth.

On behalf of Immigration Voice, again, my sincere gratitude for this opportunity and for the patient hearing you have given me today.

SCHUMER:

Thank you, Dr. Arora.

Now finally, last but not the least, Dr. Hira.

HIRA:

Thank you, Chairman Schumer, Ranking Member Cornyn, and the members of the subcommittee for inviting me to testify here today.

I've been studying high-skilled immigration policy for more than a decade, so it's a great opportunity for me to share some of my thoughts on its impact to our current policy -- its impact on the American economy, American workforce, and competitiveness and innovation policy, which I study also.

I have concluded that our high-skill immigration policy, as currently administered and designed, does more harm than good. To meet the needs of both the U.S. economy and American workers, the H-1B and L-1 visa programs need immediate and substantial overhaul. The goal of these programs is to bring in foreign workers who complement the American workforce.

Instead, loopholes have made it too easy to bring in cheaper foreign workers with ordinary skills. These are not specialized skills, these are not the best the best and brightest, these are ordinary skills that directly substitute for rather than complement American workers. The programs are clearly displacing and denying opportunities to American workers.

The H-1B and L-1 programs have serious design flaws, and the legislation is needed to fix them. Administrative changes, alone, such as step-up enforcement, while necessary, are simply not sufficient to correct the problems. I'll just briefly highlight a few of these design flaws that we have in the programs.

First, the programs allow employers to legally bring in foreign workers at below market wages. So you can legally bring in cheaper workers to substitute for American workers.

How do we know this? Well, employers have told the GAO that, in some cases, they do that. So they've been explicit about this. And 54 percent of the H-1B applications were for the lowest wage level of 17th percentile. So if you think about that on the scale, that's hardly the best and brightest being paid the 17th percentile.

In the case of the L-1 program, it has no wage floor at all. There are no wage requirements. By far, the largest sending country for L-1 workers is India, where typical wages for engineers is a mere \$10,000 per year. So you can pay home country wages and bring in L-1 workers instead of hiring American workers.

So if you think about the differential between an \$80,000 a year American engineer versus a \$10,000 a year engineer from India, you can imagine the kind of arbitrage opportunities and also why these companies that are exploiting these loopholes are extraordinarily profitable, much more profitable than companies that are hiring American workers.

Second, the programs allow employers to bypass qualified American workers and even outright replace American workers with H-1B's and L-1's.

News reports indicate that American workers are being replaced by H-1B. These are companies such as Wachovia, ACNielsen, and Pfizer. This is at a time when STEM -- of the unemployment rates for STEM fields remain very high. And so contrary to some of the discussion here this morning, in fact, the STEM job market is mired in the jobs recession like the rest of the country.

The unemployment rates are twice to three times what we would expect at full employment. So instead of two percent or two and a half percent, they're more like five percent -- four and a half to five percent. So they are mired in jobs recession just like the rest of the country.

According to (inaudible) USA's analysis of Labor Department data, there are more than 300,000 unemployed engineers and computer scientists. Given the poor job market for STEM fields, being forced to train your foreign replacement is particularly agreed just at this time.

The third flaw, I would point out, is that because the employer, rather than the worker holds the visa, an H-1B or L-1 worker's bargaining power is limited and they can easily be exploited by employers.

Well, consequence of all of these issues is that it provides an unfair competitive advantage to companies specializing in offshore outsourcing, speeding up the process of shipping high wage, high-tech jobs overseas. It has disadvantaged companies that primarily hire American workers forcing those firms to accelerate their own off-shoring.

For the past five years, the top H-1B and L-1 employers are using the program -- the programs to offshore tens of thousands of high-waged, high-skilled American jobs. Using the H-1B programs offshore is so common it has been dubbed the outsourcing visa by India's former commerce minister.

Simply put, the U.S. government is subsidizing off-shoring through the current H-1B and L-1 regimes.

As former Congressman Bruce Morrison, who is the architect of the H-1B program put it, there's no reason why the government should have a thumb on the scale to actually speed up the process of outsourcing these jobs.

Even more disturbing is that many American high-tech workers and students believe the program and government policy purposely undercuts their careers. The program has lost legitimacy among these critical workers.

American tech workers are leaving the field and telling students to stay away. This threatens the country's capacity to innovate and create jobs for the economy.

In conclusion, let me say, that I believe the United States benefits enormously from high-skilled permanent immigration. We can and should encourage the best and brightest to come to United States and settle here permanently. But our high-skill immigration policy is filling on both accounts.

Thank you.

SCHUMER:

Thank you, Dr. Hira, and I want to thank all the witnesses for their testimony. We'll limit the questioning periods to five minutes. So I'll ask the witnesses to try to limit their answers.

First, to Dr. Greifeld, just tell us some of the types of jobs at NASDAQ that have been done by high-skilled immigrants where they have made a really important contribution to your company that you wouldn't have gotten from other sources.

GREIFELD:

Speaking for NASDAQ ourselves, as an employer, we take great pride on our technology where we are basically, beyond the limits, was known as commercial computing capability. We have the ability to process over a million transactions a second in about 50 milliseconds.

And when we look at our development team that is responsible for that core activity, it's about 60 people of which 20 of them are foreign-born, and those people are certainly critical. And we certainly cast a wide net to find that unique set of talent to allow us to build these systems, which are deployed globally.

SCHUMER:

Thank you.

To Dr. Skorton, there's been an argument that immigrant students in our schools are taking slots from other capable American students. Can you address that? I think Senator Grassley alluded to that. Can you address that argument?

SKORTON:

Yes. Yes, and thank you, Senator.

It's a complex issue but my impression after 30 years in higher education at multiple institutions that that just isn't true, overall, in the high-skill areas that we're talking about. But I also want to take advantage of the question to make a couple of points about additional advantages that international students bring to our campuses in favor of the positive effects on American students who were their classmates.

Students from other countries contribute enormously to the cultural diversity of the campus and in an age, as you've heard, where globalization has actually affected the way companies work, not just a catch phrase, but actually a way of living, art students need to have cultural competencies that go far beyond America's borders, and international students add to that cultural competency.

They also add an alternative perspective on many, many issues that I think broadens debates and puts our own students in a better position to go forward with their own international leadership.

And finally, we do have a challenge in the pipeline for not only STEM graduates but for other high-tech areas in the American K-12 system. And even though it hasn't been the immediate focus of this panel today, I think it's important to say that one of the other areas that needs to go hand in hand with immigration reform is continued work on the STEM pipeline in K-12 so that there will be a better balance of available and qualified American students for these jobs. And so we won't have the structural unemployment that was mentioned by the last speaker.

I also want to take advantage in just a quick commentary to resolve what I think might be, apparently to the panel, a conflict between the first speaker and the last speaker about whether or not there actually are jobs going unfilled because of lack of skills.

I believe there are, and I believe an unemployment rate -- a raw unemployment rate is too gross a measure to answer the question, "Do we have the right skill match with the jobs that are going unfilled?"

SCHUMER:

Well, in your region, we have three great engineering schools. Two of which are represented here -- Cornell, RIT, there's RPI, where I believe one of the witnesses attended, turning out engineers. And Lockheed Martin needs engineers in Syracuse, and they can't get all the engineers they need right in that area.

Mr. Smith, let's say we were no longer -- let's say, we didn't change our immigration policy. How would it affect jobs at Microsoft, both here and abroad?

SMITH:

So right now, we, as a company, have over 4,500 jobs that are open. Over 2,600 of those jobs are computer science and engineering field.

I think if we don't have immigration reform, you know, what we're going to see is a continuing pressure by technology leaders especially in our industry to put more jobs in R&D centers and other places.

SCHUMER:

You mean overseas?

SMITH:

Overseas. The outside the United States, we opened a development center in Vancouver, British Columbia, a few years ago precisely because we couldn't get sufficient pieces for the people we had hired.

And when we did that, the premier of British Columbia -- the equivalent of their governor looked at us and said and this, "You all have a problem. Your government doesn't like your foreign employees, but I do. Bring your jobs here."

SCHUMER:

Say no more.

Dr. Arora, we -- first, how long would it take you waiting in line because Indian percentage is only seven percentage to get through Green Card. How many years more at present rate?

ARORA:

I have to tell you -- I have to say that this is one of the most -- this is a \$64 million question. There are many thousands of people ahead of me in the line today.

SCHUMER:

We estimate about eight more years.

ARORA:

That could well be possible.

SCHUMER:

That just makes no sense.

ARORA:

It's 2,800 a year, including...

SCHUMER:

No -- OK. You make a very good point.

And do you have any estimates on the number of people that would open their own companies here in the U.S. but cannot because of the broken immigration system we have?

ARORA:

Senator, I think there are -- there are many people in our community who have entrepreneurial ambitions. I -- I run across many samples of these on a daily basis.

I have a colleague who was a few years ahead of me at medical school, a few years ahead of me at Mayo, and then joined Amgen a few years ahead of me. I almost feel like I'm following him around the world. He has now opened up his own small biotech venture in (inaudible) and lives near me, employs people and is doing the most innovative work.

I know that in Immigration Voice, we hear everyday that there are many who would like to open small businesses and simply can't because of this status in limbo.

SCHUMER:

Thank you. OK. I have exceeded my time by a little bit, so I'll stop my questions now.

Senator Cornyn?

CORNYN:

Thank you, Mr. Chairman.

About 85 percent of U.S. Green Cards go to family members of U.S. citizens or permanent legal residents, people seeking humanitarian refuge and diversity immigrants who come from countries with low rates of immigration.

So that leaves us with 15 percent of the visas going to people based on their work, and indeed half of the 15 percent roughly, only about seven percent go to principal works, with the vast majority of those highly skilled workers.

As the Dallas Fed Report says, "No other major developed economy gets such a low -- low priority to employment-based immigration. So my question for the panelists, do you think we ought to give, in the interest of energizing our economy, more emphasis to employment based permanent immigration, or should we maintain the status quo?"

I believe, Mr. Greifeld, do you have a...

GREIFELD:

Yes, sure.

CORNYN:

...view about that?

GREIFELD:

I certainly do. Certainly, when you look at the situation we had H-1B first at 195,000, and we would advocate for going back to that limit.

With respect to the employment visas, to me, reading through with this, just too many categories and we need to simplify that and look at it as a number that certainly should not include the families that come along with the person who is working. And we have to recognize when somebody is working and contributing to this economy, that is a good thing and should be a faster pass for them to have permanent status in this country.

CORNYN:

I know and I suspect I get similar answers from others in the panel, so let me just move on to another topic.

The Economist said there was a time when ambitious foreigners had a little choice but to put up with America's restricted ways. Europe was sclerotic, and India and China were poor and highly restricted, but these days, the rest of the world and I'm paraphrasing -- is opening up and competing with the United States for these highly skilled workers.

Mr. Smith, it's -- maybe you'd be a good candidate for this question. What exactly our nation is like? Canada, you mentioned your Vancouver facility, that include New Zealand, Australia, the

U.K., what are they doing differently than the United States to attract these best and brightest foreign workers?

SMITH:

Well, ironically, I think the single thing that's happened the most often is this, the rest of the world sort of figured out what was working in the United States, and they replicated it even as we perhaps stepped away.

You know, so, in fact, we see wages going up quite quickly in our industry for -- for engineers around the world. We see cities, states, countries doing more to make development centers attractive, putting incentives in place to attract companies.

We see some governments, you know, really changing their visa policies to make it easier for students, to continue to get -- to stay and get a job, making it easier for spouses to work sooner in the process, to accelerate the path to the equivalent of a Green Card and eliminate or reduce the kind of legal uncertainty that we increasingly feel here. So things have become much more competitive.

CORNYN:

And Dr. Hira, you talk about the problems we have with current administration of the H-1B program. I can't think of anything that would sabotage our desire to try to fix this broken system and to -- and to do what's in the best interest of the United States and certainly our economy than examples of people gaming the system, which you've -- you've talked about.

Do you feel like if Congress has the capacity and ability through new legislation to fix broken parts of the system that allow people to game it while preserving the benefits of attracting these best and brightest workers?

HIRA:

Yeah, absolutely. I think there are definitely the proposals that have been introduced by -- in fact, in the last Congress by Senators Grassley and Durbin who are both members of this subcommittee, S. 887, which would go a long way to actually fixing many of opposing -- many of the loopholes that I had mentioned earlier.

Let me also just address the U.K. Interestingly enough, the U.K. has actually tightened up their work visa program quite significantly with the new coalition government.

And when I met with the Migration Advisory Committee, which is an arm of the government that advises the -- the government on -- on immigration issues, they were shocked that the L-1 --

that our L-1 program, our intercompany transfer, multinational transfer program does not have a wage floor; they were just flabbergasted.

CORNYN:

Mr. Chairman, I think one of the things that we might want to consider and work together on legislation here is, you know, a sort of a rheostat or a way to power up or power down the system in times of a booming American economy and times when our economy is not doing as well.

But I dare say that -- that between you and me and the members of this committee, if we were agreed to deal with this problem, we -- we could fix this, we could fix this. I'm not sure whether we can -- what the prospects are for comprehensive immigration reform because of the credibility problem that Congress has when it comes to various aspects of it, but this is an area I think we can fix working together.

SCHUMER:

I certainly think the area has to be fixed. One of the problems we've seen in the past, we'll see if it remains in the future is when you don't do comprehensive reform, the people who are not included say, "I'm not going to let a bill go forward unless I'm included," so that's been the old dilemma.

Senator Blumenthal?

BLUMENTHAL:

Thank you, Senator Schumer, and thank you for holding this hearing and for your leadership -- long-standing leadership in this hearing. And thank you to the witnesses who have come here today on this critically important topic. We hear about it everyday.

Connecticut has a number of companies, which like Microsoft, have openings but are looking for folks with the skills to fill those openings -- United Technologies, and General Electric, and all of the great companies located in Connecticut, which leads me to my first question.

Mr. Smith, you know, your observation that jobs follow the talent reminds me of the National Venture Capital Association, which commissioned a study entitled American Made:

The Impact of Immigrant Entrepreneurs and Professionals on U.S. Competitiveness stated -- indicated that immigrant-founded companies have generated more than half of the employment by United States public venture-backed high tech manufacturers. So entrepreneurs coming to this country are the source of employment -- new jobs that are created when they create new companies.

And I wonder if you could talk about the two or three provisions in immigration law that you think would enable us to attract more entrepreneurs as well as individuals to fill those 4,000 openings that you mentioned in Microsoft.

SMITH:

Certainly. Thank you, Senator Blumenthal.

I think the real key today is to focus on Green Cards. And in fact, I think that might be something that most or all of us even share on this panel.

We have such a backlog of Green Cards. And as you've heard, the fact that we have a per country cap is a real problem. We have a huge backlog in the country today especially for people from a country like India, and that's discouraging them from staying here.

It means their spouses can't work. It's creating incentives for them to return home, create companies and create jobs in other places. So I would say priority number one, we really should be to address the current Green Card backlog.

Then the other point I would make is, as you've heard, there's a huge amount of benefit that would come from putting graduates of American universities especially in high demand fields, the so-called STEM fields, for example, on the path to Green Cards.

That would give them the incentive to put down roots here. It addresses a lot of the issues that people have expressing concern about with respect to temporary visas. It would strengthen the country's economy.

BLUMENTHAL:

And I gather from your testimony, Dr. Skorton, that you would agree on a number of those points.

SKORTON:

Yes, Senator Blumenthal. And I would definitely agree with the points. And I wanted to (inaudible) at the risk of redundancy that the beauty of what you're talking about is that it's comprehensive.

And I believe that as Dr. Hira has mentioned, it's very important to deal with inadequacies and rooms for loopholes in the current system. It's very, very important to do a better job of matching skills needs with skills production.

And thirdly, I think as Senator Cornyn mentioned is very important to make the system inherently flexible enough to deal with different industries and different eras and just because I've garnered the floor briefly.

I will say again that even though it's not necessarily in the purview of this particular committee, it's important that we all -- all Americans work toward improving the STEM pipeline in K-12 education so that our successors in years to come will not be dealing with this very frustrating problem.

BLUMENTHAL:

Well, I appreciated your mention of that point, and also of the DREAM Act, even though it's not directly on point today.

Mr. Greifeld, from your experience, would lifting the caps also be something that the per country caps that we should do?

GREIFELD:

Definitely, the testimony -- as I mentioned in my testimony, I was in the Valley last week and I met, during my time there, about 24 to 25 different CEOs of high technology companies.

And these are companies with active job searches, active job openings for obviously, highly qualified engineering talent. And this talent is fundamental to their growth. And in terms of the ripple effect, in terms of employment, it is real.

The openings are real, the ripple effect is real and we have to respond to that as soon as we can, and allow them to hire these people, create the ripple effect and you know, obviously, address in some way, our economic issues that we face today.

So we need to move beyond that and these numbers are obviously artificial, there has to be some ways, I think, Senator Cornyn mentioned that rheostat where it's geared to actual -- demand gear. So we can't have an arbitrary number, we have to respond to the real life situation on the ground.

(UNKNOWN)

Well again, my time has expired but I want to thank all of you for being here and I look forward to continuing to work with you and again, appreciate, Senator Schumer's leadership in this area.

SCHUMER:

Thank you, Senator.

Senator Grassley?

GRASSLEY:

Thank you, Mr. Chairman.

And thanks to all the panelists and I'm sorry I missed your testimony but obviously, we have it in writing.

I have some questions. I will start with Dr. Hira.

In your testimony, you described how the loopholes in your high skilled guest worker program have eased the way for companies to bring in cheap foreign labor to directly substitute rather than complement workers already in the United States.

So my first question is for you to rebut the assertion that some, including your co-panelist, Brad Smith, have made that the U.S. does not, in fact, have enough highly-skilled workers.

HIRA:

Well, the data just doesn't support that assertion by Mr. Smith.

The unemployment rates, as I mentioned earlier, are very high. In fact, they are higher for STEM graduates than they are for all college graduates. So unless you are going to argue that liberal arts majors are somehow in short supply, it's hard to argue this.

The unemployment rates are twice to three times what we would expect. Now some of this is a cyclic phenomenon, it's part of the jobs recession that the whole country is facing right now.

There is always cases where there are shortages of very narrow occupations but let me give you a very good example of this. Petroleum engineering, what we saw was the market worked, wages went up from about 60,000 to 86,000 and what happened? Well, enrollments went way up within universities in petroleum engineering, filled mostly -- almost exclusively by Americans into those programs.

So markets work when you let them work. By using these H1-B and L1 programs, what you are really doing is intervening in the normal functioning of the labor market and with that privilege, should come some accountability.

GRASSLEY:

We have seen there are trends -- again, Dr. Hira, we have seen trends in large corporations where they are finding ways to circumvent H1-B beside using L and B visas, what other ways are companies obtaining foreign workers, and is this something that deserves more scrutiny?

HIRA:

Yes, one of the things that is interesting about this in the way the regulations work and I don't know enough about it because I don't think it's been studied but many of the temporary workers come in and don't work directly for the clients.

So they may now work for Microsoft or for one of the large you know, American companies, what they do is they work for contractors, and by doing that, through that process of outsourcing, they are able to then circumvent some of the non-displacement and other regulations.

At least, this is my speculation, I don't know of anybody who has actually studied it within the government or outside the government to see how this process works.

But definitely, there are problems there and that is something that needs to be scrutinized. So one has to not just look at the direct workforces of let's say, Microsoft but also the people that they contract with, for example, Infosys does all of their tech support and services.

GRASSLEY:

Mr. Smith, Microsoft is a real employment machine so we obviously got to be cognizant of what you say about it but I have some questions in regard to H1-B, an issue that has been raised about H1-B and L1 visa programs as employers are not required to demonstrate that qualified American workers are in fact, available and of course, I know through visiting with you and others -- people that work for you that you and other companies oppose Grassley-Durbin because it requires a (inaudible) that employer recruit qualified Americans first.

Why is it so much to ask for your company and others to look for American workers first and foremost and would -- my second question, would Microsoft support a requirement for companies to first attest and actively recruit American workers before they resort to foreign labor.

SMITH:

Well, Senator Grassley, we appreciate the opportunity to have an ongoing conversation.

As you know, there are a number of steps in the immigration process where one has to have certain attestations, one has to jump through certain hoops, one has to post information on the Department of Labor's website.

We would not think it would be helpful to inject into the labor market, yet more bureaucratic hurdles that make it harder to hire employees. We don't pay foreign nationals any differently from the way we pay U.S. nationals, and our wages are not cheap.

We and other leaders in our industry today are hiring in the computer science and engineering fields right out of college, and people who get a diploma one day are able to start work the next day with a salary and a stock grant in excess of \$100,000.

I think there a number of us who might not have gone to law school if we had realized that future.

GRASSLEY:

Thank you. I'm done but I did have a question for Dr. Skorton and I will ...

SCHUMER:

Without objection, any member of this panel, those here or not here can submit questions in writing and there will be a week to return those.

Thank you, Senator Grassley.

Senator Franken?

FRANKEN:

Thank you, Mr. Chairman.

Dr. Arora, thank you for being here and thank you for your clinical work in Minnesota, you have made a difference in the lives of countless poor Minnesotans without reliable access to medical care.

First, can you give me a rough estimate of how many Minnesotans you have served as a physician in the course of your career?

ARORA:

Just to be clear, you are asking me about my practice as a physician, Senator?

FRANKEN:

Yes.

ARORA:

Yes, I started practice as a -- well, we should go back a little bit, I was a medical resident for three years but just as a physician, but as a resident physician, I did another two years at NYU at Bellevue Hospital and New York and Manhattan Veteran Affairs Medical Center.

Following this, I was in Rochester, Minnesota at the Mayo Clinic for two years doing fellowship and advanced diabetes although I have to say that a rather good section of those two years was really spent doing clinical research, that was a lot of my research training.

I then spent time from July of 2003 until December of 2008 with a full time practice at Regions Hospital and its affiliated clinics with the Health Partners Medical Group.

FRANKEN:

Yes ...

ARORA:

In December ..

FRANKEN:

Just at Regions this weekend at Regions ...

ARORA:

And in December of 2008, I moved to a clinical research position at Amgen so I've had a two-and-a-half year hiatus but as we speak, I'm actually preparing to go back to work at a local volunteer clinic and I feel the need to get back a little bit to my practice roots.

FRANKEN:

And I know your path to a Green Card has been frustrating and is still not complete.

Can you describe the challenges you face and how having to deal with those challenges has affected your ability to focus on your clinical work?

ARORA:

Senator, there are a number of things that don't occur to one intuitively when you think of what happens when you are in the state where you don't have a Green Card but you are waiting for one.

There are -- I have been through a number of different phases, I was on a J1 exchange visitor visa for many years when I was training. That visa would run out every year even though I was in a three-year program or a two-year program.

Every time I travel home, I would spend, out of the eight days, I would get after traveling the long distance, I would spend two days preparing and going to the embassy to get visa stamps.

I never knew when they would decide as they do very commonly these days, to just put me in some kind of administrative processing and hold me for three months, maybe getting me to lose my provision.

I would get a stamp but because my academic year was finishing in July and I visited in February, it would expire in July -- it was -- there were all kinds of hurdles there but that was -- that is not the least of it.

The least is my driver's license expires every so often, I find that I'm either applying for a driver's license which is expiring -- a work authorization that keeps expiring, or for an advanced travel that I will be able to travel to work or home on a near continuous basis because something or the other always seems to be going away because I don't have a Green Card.

I applied for a mortgage to buy a home which I was fortunate to be able to do eventually and had to pass some serious hurdles because I had employment authorization and the statute and I understand exactly why it said you had to have either a valid visa or a Green Card and nobody quite understands the state of limbo that many of us exist in. It seems to be a vacuum.

I try to buy disability insurance just to make sure if something unfortunate were to happen to my family and I would be cared for, and I have been told that if I'm not a permanent resident, I can't do that.

I have friends who wanted to adopt children and couldn't because they don't have permanent residence.

So there are a number of issues like this where we are held back and you know, we spend a lot of time and energy as a community dealing with these little things in daily lives which seems so natural to everyone else and I think they do take away from our efforts at practice and other work.

FRANKEN:

Well, thank you and I know of your work at Regions and at Mayo, you are a very, very fine doctor and clinician.

Mr. Skorton, you pointed out that nearly half of all recent graduate degrees awarded by U.S. universities in science, technology, engineering and math were awarded to foreign nationals and this means that international students who received their education in Minnesota, for example, often must travel to another country to make use of that knowledge instead of contributing to the economy of the state that educated them.

I think it would be good to keep those folks in Minnesota and to add to our economy. How would states who educated international students benefit economically from national immigration reform?

SKORTON:

Thank you, Mr. Franken.

I would like to first of all, say that as a long-time Iowan, I have great respect for the wonderful work done in the great state of Minnesota, one of the only places that we could think about that was even colder than the state of Iowa.

FRANKEN:

And we have great respect for ...

(UNKNOWN)

Let the records show he is from Upstate New York.

(LAUGHTER)

SKORTON:

This is a very, very important point that you have raised and I think that the earlier comments I made but also those of others on the panel have indicated the importance of utilizing the mechanism that you have talked about to improve the economy locally based not only on the ability to fill those jobs but to start companies and also to invent things that others can use to start a company or that established companies can use to move farther down the line.

So by all these mechanisms, I think they are very, very important and I think that the objective is clear and it is easy for us on this side of the table to say what we would like to see happen.

I don't envy you and the other Senators of the jobs that you have to do to figure out how to make it happen, but I think the goal that you have laid out is the right goal and the question is how to get there.

SCHUMER:

Thank you.

Senator Sessions?

SESSIONS:

Thank you for letting me join you, Mr. Chairman.

And during the debate over immigration reform which I was active in and felt the comprehensive bill was not a good piece of legislation, the American people agreed with that and it failed.

And we are not going to see a comprehensive piece of legislation like the one last time. And because of that, it won't be like that. And I just have to say to my high tech friends, you guys made a mistake, you endorse a bill that did little for high tech workers but basically would have undermined the lawfulness of our immigration system.

And I pleaded with a number of you folks, why don't you come forward with a real plan to help us focus on hire skilled workers and Mr. Smith, you make comments about the United States and said that we don't like foreign workers, and quoting a Canadian as saying that certainly, and -- but I have consistently endorsed the Canadian plan of immigration, I would take it immediately.

Have you thought about that -- proposing that for the United States?

SMITH:

I think we would be best served, as a country, Senator Sessions, if we took what we have today, took what works and then make it better rather than adopt the Canadian one ...

SESSIONS:

Well, that is what I thought. So this is a political deal, I know how it worked out.

The Canadian system gives points, they give points for education, they give points for skills, they give points for youth, they give points for people who speak English or French.

And that is how they allow people into the country, and jobs that they need. Would that be a good plan for the United States? Would that favor the high tech industry? Would it help them get us more high-skilled workers or not?

SMITH:

Probably not the French part, but the rest, if you look at it, the -- I think we welcome a discussion on any option ...

SESSIONS:

I thought you would support that.

SMITH:

No, this is why.

SESSIONS:

OK, why?

SMITH:

This is why. What we really want is labor markets that can adapt to changing economic circumstances, and the challenge in our view with any point system, is it basically puts the government in a position where it is trying to determine, you know, what in fact, is going to best meet needs in the marketplace?

And in fact, if you take the U.S ....

(CROSSTALK)

SESSIONS:

(Inaudible) a system to do that, could you not -- can you alter the points to emphasize the skill needs that the country has ...

SMITH:

The challenge ...

SESSIONS:

And not emphasize more workers in the areas where there is high unemployment?

SMITH:

I'm not saying it doesn't have some virtues, the challenge is that basically, it has a government commission or a committee to basically try to manage or even micromanage a labor market in a way that takes of stock of changes in the market itself.

And our experience would suggest ...

SESSIONS:

Well, you got to be able to do that yourself, you like to be able to handle it, and I can understand that. I'm not sure you are empowered to select what workers come into the country.

I think that is a governmental function, frankly.

What about the 50,000-person lottery deal? We allowed -- hundreds of thousands of people applied to be selected as -- to be in the lottery and their names are drawn at random, doesn't have an age factor, doesn't have an education factor, I thought -- I think I talk with Senator Schumer about it, what about converting that to a real high skill high-tech entry mechanism?

Would that be something you could support?

SMITH:

Well, I think there is a basis to have a conversation about ways to give a higher priority to certain fields where there is a clear shortage, and the fields of science, technology, engineering and math clearly rise very high on that.

And then one can discuss, you know, is a lottery the best way? Is there an alternative approach?

But I would agree that there is absolutely a kernel of something that is worth pursuing.

SESSIONS:

Well, the INS report a few years ago said that H1-B employees are paid a median salary 25% less than the national median for their field, our 2001 National Research Council report found quote "H1-B workers requiring lower levels of high tech skills received lower wages."

The Independent Computer Consultants Association in 2003 reported the use of cheaper foreign labor has forced down the hourly rates of U.S. consultants by as much as 10 percent to 40 percent.

So I think there are other studies that agree with Dr. Hira, I think he is fundamentally right.

I mean, I know you have different views and you like to be able to pick and choose around the world, Microsoft would whoever they like to bring in to help, but we got to set a national policy and we have to decide first of all, how many can be allowed and this cannot be an unlimited number.

And if that is the case, we have to choose -- and so I thought the Canadian system is a good program, it seems to be focused on how to serve the Canadian national interest.

SMITH:

I think you raised a really interesting point but I don't think we should obscure the fact that there is something in common in all five of what we are saying.

The principal reason that some people believe that employees on an H1-B visa have a disadvantage in negotiating for salaries with their employer is their difficulty of taking another job.

And the principal difficulty they have in taking another job is they go to the very back of the Green Card queue and have to start over when their next employer gets the visa extension.

We are advocating reform that would address and eliminate that problem. That will be good for employees. Obviously, we think it would be good for employers as well, it will be good for employment more than anything else.

SESSIONS:

Well, thank you, Mr. Chairman.

And that maybe something that we can all work on and I look forward ...

(CROSSTALK)

SCHUMER:

I think (inaudible) there are a lot things we can work on on this, obviously, I prefer comprehensive and still working that way.

I'm going to take the prerogative of the chair to ask an off topic question to take advantage of Mr. Greifeld being here. And that is this, you know Congress is debating two possible solutions to raise the debt limit. There is one offered by Speaker Boehner, you can't get away from this.

There is one offered by Speaker Boehner in the House that would raise the debt limit for five to six months, one offered by Leader Reid that would take the prospect of defaults off the table at least until 2013.

Would you prefer a longer-term solution or a short-term patch, specifically not you personally, but do you think the markets would react better to a longer term solution that at least takes the prospect of defaults off the table for a period of time?

GREIFELD:

Could I say I prefer not to answer the question?

(LAUGHTER)

No, but I would say this, and I did reference it in my testimony.

Markets certainly want to feel certainty and to the extent there is greater certainty and there is a time duration to the certainty, that is more beneficial to the markets.

So in a general philosophical sense, the longer the deal the Congress makes in agreement with the president, the better markets will feel about it.

SCHUMER:

Thank you. I appreciate that, and that would mean that the Reid deal is preferable to the Boehner deal.

But you don't have to say that. I am drawing that conclusion to myself and you have the right to remain silent with a direct corollary that it is longer.

OK, I want to thank the witnesses. This was excellent testimony.

This is an issue that America aches for reform, we do, in this area in particular because I think there is general agreement, even Dr. Hira would say in certain places, there is a need to fill skills and get people around the world.

So it's been very elucidating and I want to thank the witnesses, all of them, for being here, particularly my fellow New Yorkers but no offense to anybody else.

OK. Thank you.

Now, the second panel will please come forward.

OK, I want to thank our second panel for being here. We are going to try to finish by 12:15 because that is when a vote has been called.

But as I mentioned, immigration is an economic engine, certainly with highly skilled people who come here and learn and want to stay here and create companies and jobs.

But people forget that even lower-skilled immigrants who come are job creators and our three witnesses today are witness to that because in each of the communities they represent, immigration has really been a shot in the arm.

So I would like to introduce all three, and then we will ask them each to speak for five minutes and open it up to questions and first, we will go from right to left this time, not to show any political preference.

Paul Bridges is the mayor of Uvalda, Georgia, that is a town in Montgomery County, he is an educator and a farmer in his community. He served as mayor since 2010, about 53 percent of the land in Uvalda is farm land and Uvalda is one of America's most productive farming communities.

Maybe in your testimony, you can tell us what grows there -- peanuts, I don't know.

Second is my good friend, David Roefaro, he is the mayor of Utica, New York, he is a lifelong resident of Utica where my father was raised so I have special affection for the town and has been a member of the Utica City School District Board of Education and a common council representative for the city.

He serves as Utica's 75th mayor and I might say, serves very ably as Utica's 75th mayor, a seat he won in November of 2007.

And Laurent Gilbert?

GILBERT:

Yes.

SCHUMER:

Very good. I remember the hockey player, Rod Gilbert so I know how to say it, is the mayor of Lewiston, Maine. Before that, he served 25 years on the Lewiston Police Department rising through the ranks to Chief of Police, a position he held for five years before retiring to accept an appointment as the United States Marshall for the District of Maine.

He is a graduate of the FBI Academy and has been appointed to several state criminal justice commissions.

We will put your entire statements in the record, gentlemen, ask you each to speak for five minutes, and then be available for questions.

So we will first start with Mayor Bridges.

BRIDGES:

Thank you, Chairman Schumer, and subcommittee members.

Thank you for the opportunity to speak.

My name is Paul Bridges and I am the mayor of a small town, Uvalda, Georgia, which is an agricultural community in Southeast Georgia. I am also a plaintiff in a lawsuit challenging Georgia's new anti-immigration law.

I am here today to speak about this new law and how it is affecting us in South Georgia. Uvalda's story is a microcosm of the national debate about immigration.

Like other states, Georgia passed a law that would supposedly address illegal immigration, among other things, it gave local police the power to question residents about their immigration status during a traffic stop.

It also made it a crime to give a ride to an undocumented immigrant if you commit another crime as innocuous as a burned out headlight or failure to use a turn signal, or even to invite an undocumented immigrant to stay in your home.

The reality of this law won't solve the immigration problem in the state, it will only devastate local economies. It would burden the economies -- it would burden our communities with the cost of enforcing a law designated to create a climate of fear even though parts of the law were blocked by a federal court, its impact can already be seen in my community and other farming communities around Georgia.

And we have no assurance that that block will hold.

Uvalda is a small town of about 600 people but more people call themselves Uvaldians because the address reaches into adjoining Toombs County. Throughout Uvalda addresses, there are neighborhoods of Latino immigrants, many of them work on the farms.

We grow many different crops, Senator Schumer throughout the year including the Vidalia onions. These crops are harvested by the skilled migrant laborers which have harvesting developed down to a fine art.

The Georgia Peaches, strawberries, blueberries, and many other fruits and vegetables that they harvest end up on America's dinner table. We have also, a multi-million dollar pine-straw industry.

These workers who do those jobs are a critical part of Georgia's economy. Their work helps agriculture to inject \$6.85 billion dollars into Georgia's economy. These workers also contribute to local economies as consumers.

Every time they go buy goods or services, they pay the same taxes that I pay. Many of them own their own homes and pay property taxes.

Their taxes are co-mingled with my taxes, and they are used to pay for schools and public services. The loss of their tax revenue would be felt in Georgia. Many also file income tax returns on April the 15th just like I do using T.I. or attachment identification number issued by the IRS.

In addition to the economic problems this law creates, it also puts the workers as well as anyone associated with those workers directly into the crosshairs.

Anyone who looks foreign will be under suspicion, immigrant workers, regardless of immigration status have already left the state rather than deal with the racial profiling that this law will encourage.

They don't want to live with the fear that their family would be torn apart because a family member can't produce the proper papers during a traffic stop.

Now that the migrant farm workers are fleeing Georgia, perfectly healthy crops have been rotting in the fields. The Georgia Business Council has already that farms have lost over \$300 million due to the lack of workers.

This economic toll could reach \$1 billion. Visit homes to many small farms around Uvalda. When crops are left in the field, farmers don't get paid.

Some fear the inability to repay their loans, even federal loans. They are unable to meet their family needs and when they have this fear, they also stop contributing to the area's economy by buying goods and services.

The farms produce less which means that consumers of the supermarket pay a little bit more when the product actually reaches the marketplace. This misguided law hurts Uvalda in another way, it imposes a significant burden on our area's resources. It forces local law enforcement agencies with officers untrained in immigration, to use its resources to enforce immigration law.

It distracts officers from their real mission of protecting residents. No family with an undocumented member will reach over and dial 911 in the event of an emergency or a need to medical services.

Also, when officers arrest people for alleged immigration violations, they have to house the detainees, they have to house the ones who have associated and be arrested with those detainees somewhere.

Uvalda does not have a jail nor does Montgomery County.

We would have to rent space in a jail in an adjoining town, another drain on my town's resources.

The bottomline is that Uvalda, like so many other towns dealing with anti-immigration laws, will take a major economic hit and will no doubt be less safe as a result. There are so many wonderful things about the town of Uvalda, it is a friendly place, and our residents know each other.

If a person needs a ride to the grocery store, to the church, or to the doctor, I would give them a ride, and I don't ask for their papers first.

In the past, when people needed a place to stay, I open my home to them, regardless of the immigration status. I know that I am not alone, other people do the same thing in my area but under the above law, good samaritans face fines and jail time.

Grandparents who have undocumented in-laws become criminals if they allow their undocumented in-law to stay overnight. Spouses who are citizens become criminals if their spouse is undocumented.

Citizen children who drive their parents to the grocery store become criminals if their parent is undocumented. This law threatens the very fabric of my little town.

Many folks have been surprised that a conservative Republican like me is involved in a lawsuit against my beloved state. It is shocking. But it shouldn't be a surprise.

This law isn't -- it is not immigration reform, this law is government intrusion of the worst kind. In threatens our economy, it threatens our way of life, and it simply makes no sense.

Famous Republicans like Presidents Reagan and Bush understood immigration. Our former governor Sonny Perdue warned incoming Republicans to not give in to quote "gang-taught mentality that could be harmful to those who want the American dream."

And after the law passed, Governor Perdue also said the GOP needs to ensure that people of color and people who are not U.S. born feel welcome.

I am one Republican who is in good company. The Assistant Georgia Attorney General defending this law before Judge Thrash in the hearing to determine if the law should be blocked

said that this law may be unkind; it may be unfair. She acknowledged that an 18-year-old citizen driving his undocumented mother to the grocery store could be arrested.

I would like to follow up ...

SCHUMER:

Mr. Bridges, if you could wrap up ...

BRIDGES:

Real quick. I would like to follow up what happens to the two children also in the seats, bucked in, ten year old, five year old, if their older brother is arrested and sent to jail for a year, and their mother deported.

I want real immigration reform, we want immigration reform now and we want immigration reform that upholds American values of fairness and equality.

The truth is immigration reform isn't economic necessity. It is crucial for our national security, and our national leaders from both sides of the isle know it.

Thank you.

SCHUMER:

Thank you, Mr. Mayor.

And now, my good friend who does an outstanding job in Utica.

Mayor Roefaro, I see he is accompanied by his cousin, Angelo, who does a good job for me, a great job for me in Central New York.

ROEFARO:

Thank you, Senator.

Thank you for having me here today. I was hoping I didn't get this chair, Mr. Smith from Microsoft, he was actually -- didn't have a sheet of paper and he was five minutes to the second.

SCHUMER:

Right.

ROEFARO:

So I figured that Microsoft also implanted a chip in him because -- but I would like to thank you for inviting me here today, Senator Schumer, and Ranking Member Cornyn, for inviting me to speak before this committee today.

I would also like to thank the members of this subcommittee for their hard work and commitment to fixing and reforming our nation's immigration policy.

The work in front of this subcommittee has the potential to leave a lasting legacy for our country. Many years ago, my family lived in Italy. They struggled for jobs and economic opportunity. Seeking a better life, they came to America, where the streets were paved with gold and there was a chicken in every pot.

When they came to our country, my family sought a community that would give them those opportunities. They chose the beautiful city of Utica, New York.

After coming to Utica, they laid roots, raised a family, established a small business and became an active part of the city. They had the opportunity to live the American dream.

Today, that simple dream is threatened. The dream of so many to come to America and find the streets paved with gold has become vulnerable to fear. In times of economic downturn, like our country now faces, we begin to fear that which we do not know.

And many choose to point the blame for our economic problems on immigrants.

But to deny those who want to come to America and create a new life for themselves would be to deny our own history. Our country was built on the backs of immigrants.

From the young Irishmen who built the Erie Canal across New York to the Bosnian families seeking political refuge and starting small businesses in Utica today, immigrants have been the key to our past success and will serve as a catalyst to both Utica's and certainly our nation's future.

But, do not mistake my words. While immigration is crucial to the social and economic fabric of our country, we need to work harder to ensure it is done legally. We need to make sure our borders are secure. We need to keep our communities safe and our criminals off the streets.

As the Mayor of Utica, I have spent the last four years trying to make life a little better for those who live in my city. One of my top priorities has been to help refugees assimilate, offer them a stake in our city and show them how they can assist us in growing our local economy and creating jobs -- all things I have worked to accomplish.

Utica has benefited from recently welcomed immigrants from Bosnia, Belarus, Russia, Somalia, The Dominican Republic and Vietnam.

Groups like this enjoy assistance from our local refugee center, a center that has helped transition so many. In my city, there are 42 languages spoken in our Utica City school district and centers like the Mohawk Valley Refugee Center help connect the dots for immigrants so no matter how you say it, "We're in this together" is a motto everyone lives by.

Yes, our economic growth is tied directly to how we as nation utilize the talent of immigrants. And there are statistics to back those words up.

Nationwide, cities with growing immigrant populations have the fastest economic growth. Immigrants, by making our economy more productive, contribute over \$37 billion to the wages and output of native-born Americans. And we have already heard that between 1995 and 2005, 25 percent of all high-tech startups were founded by immigrants.

These new Americans paid over 162 billion in federal, state, and local taxes, proving their worth to our communities.

In Utica, economic success stories mirror national ones. Take Zaim Dedic for example. Zaim came to Utica at the age of 14 from Mrkonjic Grand, a small town in the Serb Republic. Today, at 31, he's built himself a successful business.

He is the founder and owner of Multilingual Interpretation Services, a translation firm that helps new immigrants navigate hospitals, the court room, practically anywhere as they learn English for themselves.

Zaim boasts eight independently contracted employees but that is not all. Aside from his translation business, Zaim has worked to revitalize an important downtown block called Bleecker Street.

He has invested thousands into a high end night club there, he employs staff and contributes to the revitalization of a block my administration made priority number one.

And then there are the ever increasing immigrants from the Dominican Republic who are opening and expanding businesses in my city. For example is Joel's Spanish Restaurant.

It's been a huge success for five years and keeps on growing strong and they are going to be moving to our west end very shortly in our city.

That means more great food and more jobs.

Moving forward, it is important we all work together to create an innovative solution to immigration reform. For those who are here in our country illegally, we must create a path for them to become citizens, through a tough but fair process including security checks, payment of

back taxes, and an educational requirement to learn English, we can begin to assimilate now-illegal immigrants into our country and cultivate their economic potential.

Moreover, my experience as a Mayor working on national issues has showed me how this issue, this debate, is likely one of the most important facing our nation. I proudly profess our immigrant populations have added to the vibrancy of the City of Utica.

Their presence has been vital to our housing stock, our city culture, our regional economy and even our local agriculture. Certainly, their presence remains crucial to the development and growth in every part of Upstate New York.

The national importance of this issue is why I am a proud member of the Partnership for a New American Economy -- joining my mayors right here and representatives from Microsoft and NASDAQ from this morning's previous panel and over 300 other mayors and business leaders from across the country who know that smarter immigration will generate economic growth and create new American jobs.

As we go forward in this process and create a new immigration policy for our country, we need to remember our heritage -- the reason we all sit here today.

We are a nation of immigrants and we must preserve this legacy into our future. When my own family came to America, they came in search of a better tomorrow. It is my hope that we can ensure another generation of immigrants come to this country accepted, assisted and empowered to dream the never impossible dream.

I appreciate the opportunity to address you today and will gladly answer any questions you may have.

Thank you, senators.

SCHUMER:

Mayor Roefaro, your chip wasn't quite as good as the person who sat in the seat before you, but not bad.

Mayor Gilbert?

GILBERT:

Chairman Schumer, Senator Blumenthal, thank you for the opportunity to speak with you today. On the benefits of immigration reform for renewing America's communities.

I am currently serving as the Mayor of the All-America City of Lewiston, a designation awarded to us in 2007 by the National Civic League for our civic engagement.

As my biography will attest, my lifelong career has been in law enforcement until my election as mayor in 2007. I am a first generation American, and son of French-American immigrants. My first language was French.

At the age of ten, our family moved to Southern California. While in school, I had a great many Mexican-American friends. As a son of immigrants, I could relate to my Mexican-American classmates.

I would at times, trade my sandwich for a -- with a Mexican- American student for his burrito. Something I continue to love to this day.

Somali refugees started arriving in Lewiston in 2001 to seek a quality-of-life they could not find or afford in major larger cities.

Word of mouth through friends and relatives outside of Maine led more secondary migrants to Lewiston, a city and state that are statistically, one of the safest in the country, and where these families and their children can receive a good education.

As the refugee population started to grow in Lewiston, a number of opinions about new refugee arrivals were expressed both privately and publicly as fear, and in many cases, prejudice, fuel the public and sometimes, political discussion about Lewiston's new Mainers.

An open letter to the Somalis requesting that they reduce their numbers coming into the city was picked up by the national and international media, who's coverage also caught the attention of a National Hate Group.

Though this hate group attracted few supporters to their event, the group's arrival in Lewiston was met by some 5,000 demonstrators who supported our new refugee immigrants.

Though there was measurably more public, state, non-profit academic support for refugees following the Lewiston rally, rumors and misguided myths about refugee, funding, cultural, religious customs and employment persisted. Concerns about refugee employment were driven by observations that more refugees were not seen in the local workforce.

In the recently public -- published book, "Somalis in Maine: Crossing Cultural Currents," Deputy City Administrator Phil Nadeau's research show that refugee employment levels had been steadily declining since 2006.

Nadeau postulated that the combination of higher levels of over- all unemployment and the significant underfunding of workforce training for many limited English-speaking adults will continue to fuel refugee unemployment until current federal refugee policy addresses workforce readiness.

Our city's opinion of the inadequacy of the existing refugee resettlement program in the U.S. was recently echoed in a July 21, 2010 report to the U.S. Senate Committee on Foreign Relations

entitled "Abandoned Upon Arrival: Implications for Refugees and Local Communities Burdened by a U.S. Resettlement System that is Not Working."

In my opinion, though we have grave concerns regarding refugee resettlement program, there are signs that our immigrant population is having a positive impact on the social fabric of our community and our local economy.

They purchase groceries, clothing, cars, along with a number of other goods and services. They keep the dollar circulating locally and are beginning to weave themselves to a greater degree and to the community.

Most exciting is the energy of our immigrant entrepreneurs who are beginning a new life -- bringing new life to our downtown. Over a dozen immigrant-owned businesses occupy formally vacant storefronts over a two-block area.

The businesses include general merchandise markets, specialty foods and goods, restaurants, coffee shops, tax preparation services, translation services and clothing stores as well as starting up cab companies.

The road to full assimilation into the American culture and economic self-sufficiency isn't easy but with perseverance and support, it will continue to happen. The question is whether we choose to let this be a process requiring several generations to occur or do all that we can to move the process forward more quickly.

As mayor of my city, my work with the League of United Latin American Citizens in support of the Dream Act and the Partnership for a New American Economy has convinced me that sensible immigration refugee resettlement reform today will spur the economy, the economic growth and independence that every American can support.

In conclusion, I appreciate the interest of the chairman and Mr. Blumenthal and members of the committee who will receive this report to share Lewiston's newest chapter in our ongoing immigrant story.

I believe that the committee's and congress' continued involvement with immigration reform and the need for significant refugee resettlement reform is critical to the future success of a refugee resettlement program whose primary mission is economic self- sufficiency.

I thank you for the opportunity to speak to you today and I certainly remember Rod Gilbert, number 7 for the New York Rangers.

SCHUMER:

Thank you. And yours is good in what you do but he wasn't what he did. So thank you for being here.

GILBERT:

Thank you.

SCHUMER:

I'm going to call on Mr. Blumenthal first.

I'll excuse myself for a few minutes minutes, ask questions then I'll come back and ask questions.

So, Senator Blumenthal?

BLUMENTHAL:

Thank you, Mr. Chairman, Senator Schumer, and thank you all for your very moving and inspiring testimony here today.

It has been really very instructive to hear your first-hand experiences and I want to thank each of you for your public service in your community through longstanding public service even before you became mayor in each of your towns and cities.

And thank you, Mayor Gilbert, most especially for your career in law enforcement and your service to the United States -- in the United States Army.

And let me begin with the question to you, if I may. Have you noticed a change in attitude in Lewiston since the time when there was that outpouring of opposition based on stereotypes and misapprehension?

GILBERT:

I certainly have, senator. You know, the dust has really settled over the 10-year period. More and more people are interacting. The children are now in the schools.

They're playing on sports teams. They're visiting each other's families and they're seeing that what people feared initially was really myths that were being perpetuated and so on.

We always have a tendency as immigrants that one time in, I shut the door behind me. And it's been that way in Lewiston. Before that, it was the Irish who first arrived and they burned the first Catholic Church. You know, the Ku Klux Klan was there. Certainly, when the French-Canadians arrived, the Irish, you know, intended to want to shut the door behind them and then -- and now, the Franco--Americans, the same way.

But I think that -- I think time has a way of healing any abrasions that people may have at new commerce. And now, as I see, and if I may, I'd like to introduce into the record this Lewiston Auburn Magazine, the current issue and that says, "Dreaming with Deko, the growing and thriving Somali businesses. Business community helps renew our Lisbon Street."

And also a story that appeared -- to answer your question, senator, on the CVS evening news clip dated April 4 -- April 11, 2009 on the Somali assimilation in Lewiston. And then lastly, a senior project by a student from the College of the Atlantic on -- called new commerce, and I've submitted that four copies...

BLUMENTHAL:

Without objection, we'll allow all those exhibits to be in the record.

GILBERT:

OK.

BLUMENTHAL:

Let me turn to Mayor Roefaro, if I may. And thank you for your leadership in Utica not only in public service but as a member at Funeral Directors Association. I know of your longstanding involvement in the community.

I wonder what you have done as mayor, as a community leader to educate about the advantages of the immigration about the impact on the fabric and economy of your community and in favor of the reforms that you see just this morning.

ROEFARO:

Well, in our community like fellow mayor here, change has always difficult and acceptance is difficult. And we actually tried to change that perception. We have done that over the last three and a half years since I've been mayor.

And I find that the immigrant population has come really -- it doesn't really asking for anything. They just want to be accepted.

I'll give you an example. The Bosnian community, they needed a place of worship. And we had an old church beside our city hall and we have somehow ended up with that church.

And they were going to -- before I became mayor, they were going to tear down this church to the tune of about \$1 million. We ended up selling this church to the Bosnian community and -- for \$1,000.

And the day that we closed on that, they had probably 75 to 80 workers shifting (ph) the roof, doing all kinds of work and this church was four feet under water. They want the place of worship and they needed their mosque.

Today, it's one of the leading mosques in the whole area between, you know, our Syracuse and Albany and Rochester. And all they wanted was a place of worship.

And, you know, when it was first going up, there was talk, you know, and people would really say, you know, "What is it?" They didn't understand it. They didn't understand the Muslim faith. They just thought that they were stereotype.

Well, these people have been so integrated into our system now that they have become prominent people in our administration. I have my deputy engineer who is a Bosnian. I have a fellow (inaudible) agency who is a Bosnian fellow.

We have so many -- they're now opening businesses and that are really -- become really part of the community because we welcome them into this community and they showed what they are all about instead of just being in the background.

So we're bringing it to the light and, you know, we have -- I visited -- we had a Buddhist temple there also. And so I go to them. I don't wait for them to come to me, I go to them.

BLUMENTHAL:

Well, that's a very powerful story and I want to thank you and Mayor Bridges as well for your leadership by example, opening your home. I don't know how many times you've done that but that is truly impressive and thank you very much for being here as well.

My time has expired. Thank you, Mr. Chairman.

SCHUMER:

Thank you, Senator Blumenthal.

And I'd like to first just to follow up with Mayor Roefaro. Tell us how -- the Bosnian community, as I understand it, has 6,000 people or so in Utica. They've revitalized the downtown. The economy is better. Job creation numbers in Utica are considerably better than in many of the other areas because of immigrants and the Bosnian community being the largest.

Tell us, how did the Bosnian -- could you just give us a little more. You mentioned one immigrant from that community and now the church. But give us a little more history.

How did they come? How was the community grown? Give us some context and texture as to how the Bosnian community did for your city, what the Somalian community did for Mr. Gilbert's city?

ROEFARO:

All right. Well, the first Bosnian I think came about 20 years ago and they came to the refugee center and, you know, we have a very big refugee center in the city of Utica.

And the Bosnian population has really -- since they've -- they're prevalent with the oldest immigrant population that has come in most recent years in Utica. They've really assimilated into our city very well.

They came into -- you know, they are contractors, they are craftsmen, they have become part of the fabric of Utica, so many have opened businesses, restaurants. There's a restaurant probably on every corner and they're all busy. They have great food.

They actually have become part of the -- of our system where I'd say that they will become the leaders of tomorrow. You will have a mayor that will be Bosnian eventually in the city of Utica. You will have leaders and we're trying to get there with some rank for common council right now.

So we're trying to integrate them into our system to make them part of our system because they are like my ancestors. When my father came over -- my father was born in Italy. When they came over, they needed someone to show them the way, but once they were shown the way...

SCHUMER:

What made them choose Utica?

ROEFARO:

Well, the Srebrenica Massacre which I spoke at -- about a year ago in Syracuse, New York. The exodus of the Srebrenica Massacre for Bosnian population, they...

SCHUMER:

What made them choose Utica as opposed to another place?

ROEFARO:

You know, that's -- there's only one other city and I don't know whether it's in Minneapolis. Well, I can't remember where it is. But I think it's a refugee center how they got here.

SCHUMER:

Got it.

ROEFARO:

That was long before my time but I did a little bit of a history and our refugee center really brought most of them in.

SCHUMER:

Yes. And what are the other large immigrant communities in the city of Utica?

ROEFARO:

Well, we have Somali -- Somali Bantu, Vietnamese, Dominican Republic. We really are a melting pot.

SCHUMER:

And have the people who have lived in Utica long time who are not immigrants seen this as an economic shot in the arm for the city?

ROEFARO:

Absolutely. You know, when I talked to people out in the community, they actually think that the Bosnian community came when all the other communities come because we had like the lower east end of our city of Utica.

The Bosnian community has come in and they don't just buy one house. Their families come and they buy blocks at a time and they have really restructured those blocks and they have redone the houses of that were falling apart.

We've taken them, put them back on the tax rows (ph), and they made them beautiful. You know, they have this technique that they used. It's like a Stucko (ph) and so everything that they do is beautiful.

SCHUMER:

Now, Reader's Digest, didn't they call Utica the Second Chance City because of this?

ROEFARO:

Yes, they did.

SCHUMER:

And let me ask you, Mayor, Gilbert. Same thing to the people who have lived in Lewiston for generations see the Somalian community as an economic shot in the arm as a real help to the community.

GILBERT:

Certainly, certainly.

SCHUMER:

How many Somalians are there in Lewiston?

GILBERT:

About 4,000, and the population of the entire city is about 37,000. Then across the river, we have our twin city of Auburn with about 1,000 Somalis.

SCHUMER:

All right.

GILBERT:

We -- you know, this was -- there's an old textile city where the mills were emptied and so on, and now -- and so consequently, the downtown, there were empty storefronts and now, they're occupying a couple of city blocks of Somali businesses.

And they're doing well, they're starting to buy homes and providing various services. So they are adding to the economic well being of the community because we had all of these housing -- available housing from the people who used to work in our mills and so on and have moved elsewhere or have died off. And so we have this available housing.

Now, they are filling these apartments -- these four or five- storey tenement buildings where if they weren't there, I wonder where we would be and certainly landlords' benefit, car dealers' benefit and so on. So I think they're seeing the benefit of that. And any differences that there were, these things are settling down.

SCHUMER:

Right.

GILBERT:

And so I see this positive.

SCHUMER:

And finally, to Mr. Bridges, Mayor Bridges, so you have mentioned how the farmers really depend on immigrants and crops and not getting picked, et cetera. What do the -- what does the community think?

The city represents the surrounding area for people who are not farmers -- the tradesmen, teachers and cops and firefighters. Did they see the economic harm that's happening because of Georgia's law? Did they join you in opposing the law? Is that true in many of the agricultural regions of Georgia as well?

BRIDGES:

It is true throughout Georgia.

From my point, I have spoken with -- spoken with several mayors as well that we are all recognizing the detriment that this law is causing throughout the state. Teachers don't have any problems at all teaching migrant children. In fact, it's a challenge that many of them embrace.

The entire state of Georgia welcomes the immigrants and their contribution economically and socially. There are some -- there are some people who are anti-immigrant who are very loud in what they have to say, but we do embrace immigrants and we recognize their contribution and their hard work that they do to provide the vegetables and the fruits before our tables.

SCHUMER:

Great. Well, I want to thank all three of our witnesses here. They've shown their different sides to immigration.

We need high tech workers, Microsoft needs them. Lockheed Martin in Syracuse needs high tech workers. We can't find them.

But we also have immigrants who come who don't have the high skills. In both cases, Bosnian and Somalian came because they were refugees because of war that tore their countries apart.

And yet they produced real economic growth and real economic activity as your two cities exemplified and, of course, we all know the need -- the economic dependence our farmers have.

Throughout upstate New York, our farmers were always telling me how much they depend -- they can't get native-born Americans to pick the crops and do the farm work and they depend on immigrants.

So the point we're making here today hopefully is that immigration is an economic engine and we need immigration.

And, you know, Senator Cornyn mentioned high on employment. There is high on employment. And certainly, we don't our immigration laws to have immigrants displace or take away jobs from Americans.

That tends to happen more in illegal immigration than in legal immigration. And what our law -- what we're trying to do with comprehensive reform is stop the flow of illegal immigration, rationalize the policy of legal immigration so that we can benefit in terms of jobs up and down the line.

And I think all eight witnesses today at our hearing have shown that. I very much appreciate, gentlemen, your time and effort. And so the hearing has now concluded. Again, I want to thank all of our witnesses.

I want to ask unanimous consent to put the statements in the record of Chairman Leahy who is very supportive of our hearing as well as the following groups that are supporting basically our trust to get immigration reform -- the Chamber of Commerce, Compete America, Intel, the American Council on International Personnel, the Partnership for New American Economy, the United Agribusiness League, Conservatives for Comprehensive Immigration Reform, the IIUSA, Third Way, Lutheran Immigration and Refugee Service in the U.S., Hispanic Chamber of

Commerce. They've all submitted statements and I'm going to ask unanimous consent that their statements be added to the record.

And without further ado, again, thanking our witnesses, the hearing is adjourned.