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NEED FOR GREEN CARDS FOR HIGHLY SKILLED WORKERS

HEARING

BEFORE THE

SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, REFUGEES, BORDER SECURITY, AND INTERNATIONAL LAW

OF THE

COMMITTEE ON THE JUDICIARY
HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

JUNE 12, 2008

Serial No. 110–89

Printed for the use of the Committee on the Judiciary

Available via the World Wide Web: http://judiciary.house.gov

U.S. GOVERNMENT PRINTING OFFICE

42–851 PDF WASHINGTON : 2008

For sale by the Superintendent of Documents, U.S. Government Printing Office
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CONTENTS

JUNE 12, 2008

Page

OPENING STATEMENTS

The Honorable Zoe Lofgren, a Representative in Congress from the State of California, and Chairwoman, Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law 1
The Honorable Bob Goodlatte, a Representative in Congress from the State of Virginia, and Member, Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law 2
The Honorable John Conyers, Jr., a Representative in Congress from the State of Michigan, and Chairman, Committee on the Judiciary 3
The Honorable Lamar Smith, a Representative in Congress from the State of Texas, and Ranking Member, Committee on the Judiciary 4

WITNESSES

Mr. Edward Sweeney, Senior Vice President, Worldwide Human Resources, National Semiconductor Corporation
Oral Testimony 7
Prepared Statement 9
Mr. Lee Colby, Electrical Engineer, Lee Colby & Associates, Past Chair of The Institute of Electrical and Electronics Engineers, Santa Clara Valley SECTION
Oral Testimony 18
Prepared Statement 19
Mr. John Pearson, Director of the Bechtel International Center, Stanford University, Association of International Educators
Oral Testimony 22
Prepared Statement 24
Mr. Yongjie Yang, Legal Immigrant Association
Oral Testimony 38
Prepared Statement 39
Mr. Mark Krikorian, Executive Director, Center for Immigration Studies
Oral Testimony 40
Prepared Statement 42
Ms. Jana Stonestreet, Chief Nursing Executive, Baptist Health System
Oral Testimony 51
Prepared Statement 54
Ms. Cheryl A. Peterson, Senior Policy Fellow, American Nurses Association
Oral Testimony 61
Prepared Statement 62
Mr. Steven Francy, Executive Director, RNS Working Together, AFL-CIO
Oral Testimony 66
Prepared Statement 68

Page

APPENDIX

Material Submitted for the Hearing Record

Prepared Statement of the Honorable Zoe Lofgren, a Representative in Congress from the State of California, and Chairwoman, Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law 79
Prepared Statement of the Honorable John Conyers, Jr., a Representative in Congress from the State of Michigan, and Chairman, Committee on the Judiciary 79
Prepared Statement of the Honorable Sheila Jackson Lee, a Representative in Congress from the State of Texas, and Member, Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law 81
Prepared Statement of the Honorable Earl Pomeroy, a Representative in Congress from the State of North Dakota 82
Prepared Statement of Mary Amundson, M.A., Center for Rural Health, University of North Dakota School of Medicine and Health Sciences 83
Prepared Statement of Jack Krumholtz, Managing Director Federal Government Affairs, Microsoft 85
Letter from Darrell G. Kirch, M.D., the Association of American Medical Colleges (AAMC) 86
Letter from Rick Pollack, Executive Vice President, the American Hospital Association 88
Letter from Roger Cochetti, Director—U.S. Public Policy, CompTIA 90
Letter from Immigration Voice, the National Cooperative of Health Networks Association, the National Health Care Access Coalition, the National Organization of State Offices of Rural Health, the National Rural Health Association, the National Rural Recruitment and Retention Network (3RNet), and the North Dakota Hospital Association 92
Letter from Michael D. Maves, MD, MBA, Executive Vice President, CEO, the American Medical Association 94
Letter from Nancy McClure, Senior Vice President, HealthPartners Medical Group and Clinics 95

OFFICIAL HEARING RECORD

Material Submitted for the Hearing Record but not Reprinted

Report entitled Educating Tomorrow's Workforce, April 2008, submitted by Edward Sweeney, Senior Vice President, Worldwide Human Resources, National Semiconductor Corporation This report is available at the Subcommittee and can also be accessed at:

http://www.sia-online.org/downloads/K12__Catalog__2007-2008.pdf

NEED FOR GREEN CARDS FOR HIGHLY SKILLED WORKERS

THURSDAY, JUNE 12, 2008

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP,
REFUGEES, BORDER SECURITY, AND INTERNATIONAL LAW
COMMITTEE ON THE JUDICIARY,
Washington, DC.

The Subcommittee met, pursuant to notice, at 11:05 a.m., in Room 2237, Rayburn House Office Building, the Honorable Zoe Lofgren(Cchairwoman of the Subcommittee) presiding.

Present: Representatives Conyers, Lofgren, Gutierrez, Waters, Smith, King, Goodlatte, and Lungren.

Staff present: Blake Chisam, Majority Counsel; George Fishman, Minority Counsel; and Andres Jimenez, Majority Professional Staff Member.

Ms. LOFGREN. I understand that Mr. Goodlatte is on his way. So maybe we will begin just the opening portion of this hearing.

Oh, here he is right now. Very good.

Chairman CONYERS. Speak of the devil.

Ms. LOFGREN. This hearing of the Subcommittee on Immigration, Citizenship, Refugees, Border Security, and International Law will come to order.

I would like to welcome the Subcommittee Members, our witnesses, and members of the public to the Subcommittee's hearing to explore the need for green cards for highly educated employees in the field of science, technology, engineering, and mathematics, otherwise known as STEM, as well as the situation in nursing.

There is a recognized shortage of U.S. employees available to fill jobs requiring the highest educational levels, particularly in the field of STEM. According to the National Foundation for American Policy, major U.S. technology companies today average more than 470 U.S.-based job openings for skilled positions, while defense companies have more than 1,265 each, indicating U.S. businesses continue to experience difficulty in filling positions in the United States at the highest educational levels.

At the same time our country is experiencing shortage in U.S. employees at the highest educational levels, employers from Europe, Australia, Canada, and even China and India are increasingly attracting to their shores the highly educated, high-achieving scientists, engineers, mathematicians, and researchers that are the foundation for innovation. In 2000, for example, 75 percent of the

world's engineers were hired by U.S. employers. Just 6 years later, in 2006, that percentage had dropped to 63 percent.

Today, more than half of the graduates from U.S. universities in master's and Ph.D. programs in science and engineering are foreign born. To ensure that America remains the greatest source of innovation in the world, we must not only educate more U.S. students in STEM. We must retain the best and brightest innovators among our graduates so that they can work with us rather than compete against us in other countries.

In addition, at the same time that nursing schools are unable to produce enough nurses to meet existing health care needs around the country, the demand for nurses is projected to continue increasing at high rates as the baby boom generation hits retirement and birth rates plunge. Currently, 12.4 percent of the U.S. population is aged 65 and older. That percentage is projected to increase to 16.3 percent in 2020 and 20 percent in 2030.

I look forward to hearing from our witnesses today on how the current immigration system has failed to respond effectively to these economic and health care challenges and what might be done to address the situation in the near and long term.

I would now like to recognize Mr. Goodlatte for his opening statement.

Mr. GOODLATTE. Well, thank you, Madam Chairman.

It is important to note at the outset that this hearing is about legal immigration, not illegal immigration or amnesty. I have long believed that legal immigration has blessed our Nation with talent, diversity, and a commitment to freedom and the rule of law. In fact, those who have come to the country through the legal channels are often some of the most vocal opponents of the illegal immigration and amnesty. It is my hope that as we move forward, we can keep these issues distinct.

I would also be one of the first to point out that our Nation's legal immigration system is flawed in many ways. For example, I am a strong opponent of the visa lottery program through which 50,000 aliens are chosen at random to come and live permanently in the United States based on pure luck. This program threatens national security, results in the unfair administration of our Nation's immigration laws, and encourages a cottage industry for fraudulent opportunists.

In addition, it seems clear that our immigration laws do not sufficiently address the Nation's needs in the area of highly skilled workers. I believe that U.S. businesses should have access to the best and brightest workers in the world. U.S. workers have consistently been the best and brightest, and we are working to ensure that the U.S. continues to produce the most talented high-tech and STEM graduates. However, highly skilled talent is not limited to the U.S., and our immigration laws should help U.S. businesses attract and retain the best and brightest global talent.

Unfortunately, we have backlogs for processing green cards that are simply unacceptable. In addition, the laws have not seemed to keep up with the demand for highly skilled workers in our dynamic economy. When faced with the prospect of waiting for many, many years to get their green cards approved, it is ever more attractive

for H-1B workers to leave the U.S. and go to other countries with more stable and predictable immigration laws.

To address these problems, I have introduced legislation with Chairman Lofgren to relieve the backlog of green card issuance for current H-1B employees. Our legislation eliminates the per-country caps for highly skilled immigrants which will reduce the waiting time for those workers who have been waiting in line the longest.

In addition, from this year on, our bill would recapture any unused green cards for highly skilled immigrants each year and add them to the cap for the next fiscal year. This provision will help ensure that Government red tape and bureaucratic delay do not prevent legal immigrants in the high-tech sector from obtaining their green cards, which will help to make America a more attractive place to come live and work.

There are other proposals which have been introduced about which I have concerns. Instead of recapturing visas from this point forward, one proposal would reach far back into the past to recapture hundreds of thousands of visas. Such a proposal would surely bring with it new procedural problems as the Administration would likely struggle to handle the overwhelming new workload. We need to carefully consider the ramifications of such proposals.

In addition, another piece of legislation would create a limitless number of green cards for foreign students who come to the U.S. and receive advanced degrees in math, science, and related fields. While granting U.S. businesses better access to this pool of applicants seems like a good idea, such a broadscale change needs careful consideration and review, including considering the effects that such a policy would have on the native U.S. labor pool. We would certainly not want to create a policy that has the effect of displacing our own talented U.S. workers at a time when our economy is struggling.

Furthermore, most Members on my side of the aisle would like to couple any increase in legal immigration that benefits our economy and country with policy changes that would decrease the number of random green cards that are handed out through programs like the visa lottery which experts believe poses a national security threat.

In summary, I would reiterate my strong desire for the majority to keep legal immigration issues separate from the issues of illegal immigration and amnesty. If we work together in a bipartisan fashion, I believe that we can achieve success in addressing many of our Nation's legal immigration problems this Congress.

I look forward to hearing from our witnesses.

Thank you, Madam Chair.

Ms. LOFGREN. Thank you, Mr. Goodlatte.

I now would invite the Chairman of the full Judiciary Committee, Mr. Conyers, to give any opening statement he may have.

Chairman CONYERS. Thank you, Chairwoman Lofgren, and to all of my fellow Members of the Judiciary Committee.

This is very important. It is also so fundamental. It is almost a little shocking that we have now figured out that we are going to give green cards to our graduates so that we can fill up this horrible vacuum that is going on, and I guess, you know, better late than never. I do not see what took so long to get here.

I talk irregularly with the heads of the engineering departments and the school of nursing at Wayne State University, and we have a horrendous problem developing. First of all, in nursing, the young ones are not staying. The experienced ones are retiring, quitting. We have a tremendous problem.

And at least a half-dozen Members of this Committee are on H.R. 676, the Universal Single-Payer Health Care bill, that we have been working on, and that anticipates that we will need lots more nurses and lots more schools and lots more people trained and able to teach nursing.

Now that is the crisis right now. So we figured out that you have to start looking at dealing with that now, and I am proud of what SEIU is doing with the nurses, but this is just a mere beginning. This is just starting off with this problem. We have to look at this with a far more urgent attitude because we have to deal with these and deal with it fast.

So I want to commend Chairwoman Lofgren and our Ranking Member Goodlatte and all of us here for working on this problem. It is a big one, and so I am just hopeful that we will begin to look at what is the holdup. We have to build more nursing schools and get more experts in to train, to teach in those skills, and we have to do it fast.

So I am proud to be in on this modest STEM step forward, but there is a whole deeper layer of complex issues to be resolved, and I am glad it is here that we are looking at them in the Immigration Committee.

I thank you.

Ms. LOFGREN. Thank you, Mr. Conyers.

I would recognize the Ranking Member of the full Committee, Mr. Smith, for any statement he may have.

Mr. SMITH. Thank you, Madam Chair.

I do have an opening statement.

Is this mic on?

Ms. LOFGREN. Yes. They are all live all the time.

Mr. SMITH. Okay. Thank you.

Madam Chair, the first thing I want to say is I am always impressed by Chairman Conyers' knowledge of so many subjects, and he just finished mentioning nurses, and I happen to agree with what he said about the nursing shortage and the need for additional nurses, and, of course, that also emphasizes again the need to admit people who have the skills and the education we need, and nurses are a prime example of that.

While the U.S. grants permanent residence to over one million legal immigrants each year, only 5 percent are actually chosen based upon the skills and education they bring to the American economy. The vast majority of immigrants are selected because of their family relationships with U.S. citizens and permanent residents or even at random, as Mr. Goodlatte described a minute ago. This does not make sense in today's economy.

First, the economy's thirst for highly skilled and educated workers has increased dramatically, yet the economy's preference for the more highly educated and skilled is ignored by our immigration system. Second, the much anticipated retirement of the baby boom

generation is now upon us. In order to sustain a strong economy, we must replace these workers.

So what type of immigrant should we be looking to attract? As the Congressional Research Service notes, industries such as leisure and hospitality that are known for having young low-skilled workforces will not need to fill many jobs as a result of the baby boom retirements. Rather, other occupations and industries will need large numbers of skilled and educated workers. Suitable replacements are more likely to come from immigrants selected for their skills and education than from ones selected at random or through family relationships, yet this fact is ignored by our immigration system.

To borrow a line from Harvard economist George Borjas, "Skilled immigrants earn more, pay higher taxes, and require fewer social services than less skilled immigrants." This is verified by the National Research Council which found that each immigrant with more than a high school education provides a net fiscal benefit to American taxpayers of $105,000 over their lifetime. On the other hand, each immigrant with less than a high school education imposes a net fiscal burden of $89,000 on taxpayers. It is clear that American taxpayers benefit from highly skilled and educated immigrants, but not from low-skilled and uneducated immigrants, yet this is ignored again by our immigration system.

Despite these facts, 95 percent of legal immigrants to the United States are not admitted based on their skills and education. So what is the result? Hundreds of thousands of new immigrants without a high school education arrive each year. This has a devastating impact on the wages and job opportunities of disadvantaged, native-born Americans.

In 2003, there were 8.8 million unemployed native-born adults without a high school diploma—1.3 million who were unemployed and 6.8 million no longer even in the labor force. Native-born Americans comprise 68 percent of all workers employed in occupations requiring no more than a high school education. These are some of the Americans competing with low-skilled and uneducated immigrants for jobs.

Immigration is already having a depressing effect on the standard of living of vulnerable American workers. Steve Camarota at the Center for Immigration Studies has estimated that immigration has reduced the wages of an average native-born worker in a low-skilled occupation by 12 percent a year, or almost $2,000. Mr. Borjas estimates that immigration in recent decades has reduced the wages of native-born workers without a high school degree by 7.4 percent.

Congress should have revised our immigration policy long ago. Given the current state of the economy and the ever-increasing retirement of baby boomers, we can no longer wait any longer. Congress has a responsibility to promote immigration policies that protect the American worker and promote a strong American economy. To do that, we must prioritize the immigration of high-skilled and educated individuals.

I thank you, Madam Chair, and I will yield back.

Ms. LOFGREN. Thank you, Mr. Smith.

And in the interest of proceeding to our witnesses and mindful of the schedule, other Members' opening statements will be made a part of the record, without objection.

Today, we will hear from two panels of witnesses to help us consider the important issues before us.

It is my pleasure first to introduce Edward Sweeney. Mr. Sweeney is a senior vice president in worldwide human resources at National Semiconductor Corporation, and he is the Chair of the Semiconductor Industry Association's semiconductor workforce strategy committee. He returned to National Semiconductor in May of 2002 after serving as vice president of worldwide human resources at Vitria Technology, Incorporated.

Prior to that, Mr. Sweeney was vice president of human resources at Candescent Technologies Corporation, a manufacturer of flat-panel displays. From 1983 to 1998, Mr. Sweeney served as a vice president of human resources for National Semiconductor's central manufacturing technology group and also for the company's analog products group. He also directly supported National's worldwide sales and marketing organization and the company's manufacturing facility in Greenock, Scotland.

Mr. Sweeney has a bachelor's degree in organization behavior and a master's degree in human resources and organization development both from the University of San Francisco, and he is from my neck of the woods.

So glad to have you here today.

Next, I would like to introduce Lee Colby. Mr. Colby is an electrical engineer who has 50 years of experience in the high-tech field. After a 36-year career with Hewlett-Packard, Mr. Colby helped found his own technology company, O'LE Communications, and now runs his own consulting firm, Lee Colby & Associates.

As the past chair of the Santa Clara Valley Section of the Institute of Electrical and Electronics Engineers, Mr. Colby represented over 13,000 technology engineers in the Silicon Valley area, my home. He is speaking to us today as an engineer, a business owner, and a manager with decades of experience with the high-tech world.

Next, I am pleased to welcome John Pearson. Mr. Pearson was born in Manchester, England, and first came to the United States in the summer of 1969. Beginning in the early 1960's after completing degrees in American studies at the University of Wales and University of London, Mr. Pearson studied and then worked at the University of Tennessee from 1971 to 1985.

He has been working at Stanford University, again my neck of the woods, since 1985 and has been director of the Bechtel International Center since 1988. His work at Stanford focuses both on services to foreign students and scholars and to U.S. students applying for such scholarships as Fulbright, Rhodes, Marshall, Mitchell, Gates, and Luce.

Next, I would like to introduce Dr. Yongjie Yang who is a current post-doctoral research fellow in the neurology department of Johns Hopkins University. Dr. Yang came to the United States for graduate study in 2000 and was awarded his Ph.D. in neuroscience and genetics from Iowa State University in 2005.

Dr. Yang's current studies focus on the interaction of neuron and astrocyte interaction and their dysfunction in neurodegenerative diseases, including Alzheimer's disease, Parkinson's disease, and in particular ALS, known as Lou Gehrig's disease. He has personal experience with the U.S. immigration system.

And, finally, I would like to introduce Mark Krikorian. Mr. Krikorian is the executive director of the Center for Immigration Studies, a research organization here in Washington, DC, that examines the impact of immigration on the United States. Mr. Krikorian has published articles in *The Washington Post, The New York Times,* and the *National Review,* among other publications. He holds a master's degree from the Fletcher School of Law and Diplomacy and a bachelor's degree from Georgetown University and is the minority's witness at today's hearing.

Your written testimony will be made part of our official record. We would ask that your oral testimony consume about 5 minutes, and that little light on the table will tell you when your time is up. When the yellow light goes on, it means you have just 1 minute to go. When the red light goes on, it means you have actually been speaking for 5 minutes. It always surprises me. We do not have a heavy gavel here, but, at that point, we would like you to wrap up so that we can have an opportunity to hear the second panel and also to ask questions.

So, Mr. Sweeney, if we could begin with you.

TESTIMONY OF EDWARD SWEENEY, SENIOR VICE PRESIDENT, WORLDWIDE HUMAN RESOURCES, NATIONAL SEMICONDUCTOR CORPORATION

Mr. SWEENEY. Good morning. My name is Eddie Sweeney, and I am the Senior Vice President, Worldwide Human Resources, at National Semiconductor Corporation and the Chair of the Semiconductor Industry Association workforce strategy committee. Today, I am pleased to testify on behalf of the Semiconductor Industry Association. The SIA represents the semiconductor U.S. industry, which employs 216,000 U.S. employees and is America's second largest exporter.

Today, I would like to cover three key points: the important role the foreign nationals play in the success of our companies, the problems created by the current U.S. immigration policy, and the joint positions that the SIA has taken with the Institute of Electrical and Electronic Engineers USA.

Let me first note that the SIA believes that high-skilled immigration reform is part of a broader set of policies needed to promote innovation in America. We believe that we must also increase Federal support for basic research, enact true innovation tax policies, such as a permanent R&D tax credit, and improve science, engineering, and math education at the K-12 level.

With this context in my mind, let me cover my first key point, the importance of foreign nationals to our companies. Semiconductor components are the most complex products manufactured on the planet with millions, and in some cases billions, of circuits integrated on slivers of silicon the size of your fingernail. To design these devices, we need to hire the brightest minds from our Nation's universities.

Each year, about half of our total recruitment activity comes from university hiring. However, when we go on campus, we find that 51 percent of the engineering master's graduates and 71 percent of the engineering Ph.D. graduates are foreign nationals.

Let me repeat these numbers because this is the crux of our issue. More than one in two of every master's engineering graduate in a U.S. school is a foreign national, and almost three out of every four Ph.D. graduates are foreign nationals.

This brings me to my second point: the problem that is created by our U.S. immigration policy. As the Committee well knows, the annual allotment of H-1B visas is filled within days, if not hours, after the DHS accepts applications and then decides by lottery who can best contribute to our economy. What is not so well known are the problems created by the caps on permanent resident visas or green cards.

SIA companies seek green cards for almost all of our H-1B hires, so the caps are a major problem for us. We are not talking about large numbers. In 2007, the entire semiconductor industry sought green cards for less than 4,000 employees. Although relatively few in number, these employees are nonetheless critical to the design of our new products, to helping customers adopt semiconductors in their end systems, and to researching the next generation of semiconductor technology, and these are all tasks that create additional jobs, high-paying jobs, in other parts of our companies, such as in sales, production, and administration.

The green card quota cap has forced employees to wait for years for permanent residency during which time their ability to move within their company or to be promoted is restricted. Furthermore, during this period, their spouses may not work, and their home life is essentially put on hold. Needless to say, many individuals become frustrated and frequently seek alternatives, either with another employer or with the same employer overseas.

Many U.S. companies are finding workaround solutions that often involve creating R&D locations in overseas locations, meaning that the downstream benefits of our U.S. higher education system are not accruing to the U.S. Rather than sending these scientists home into the arms of our foreign competitors, our employees are often finding themselves creating jobs for these people in their foreign subsidiaries when they could otherwise be employed in the U.S.

Addressing this challenge brings me to my third point: the SIA's work with the IEEE-USA. Our organizations' differences on H-1B issues have been widely publicized, but we both agree that the current immigration system is broken. Last October, we arrived at a common position which is detailed in our written testimony. It includes raising the green card cap with an exemption for master's and Ph.D.s in science and engineering and allowing science and engineering graduates to transition directly from student visas to green cards.

In May, the SIA and IEEE-USA followed up its letter on long-term reforms with specific support for H.R. 5882, 5921, and 6039. These three bills will help talented foreign nationals create jobs in America and help our industry to export products and not jobs.

The SIA and IEEE-USA worked hard to find common ground, and we urge Congress to similarly work in a bipartisan basis to pass these important bills this year. This matter is of urgent and critical importance to our industry.

Thank you.

[The prepared statement of Mr. Sweeney follows:]

PREPARED STATEMENT OF EDWARD SWEENEY

U.S. House of Representatives
Judiciary Committee

Subcommittee on Immigration, Citizenship, Refugees,
Border Security and International Law

Hearing on the Need for
Green Cards for Highly Skilled Workers

Written Testimony Submitted
By

Eddie Sweeney

Chair of the
Semiconductor Industry Association
Semiconductor Workforce Strategy Committee

And

Senior Vice President, Worldwide Human Resources
National Semiconductor

June 12, 2008

Good morning. My name is Eddie Sweeney and I am the Senior Vice President, Worldwide Human Resources at National Semiconductor Corporation and the chair of the Semiconductor Industry Association's Semiconductor Workforce Strategy Committee. I am pleased to testify today on behalf of the SIA.

The Semiconductor Industry Association (SIA) has represented America's semiconductor industry since 1977. The U.S. semiconductor industry has 46 percent of the $257 billion world semiconductor market. The semiconductor industry employs 216,000 people across the U.S., and is America's second largest export sector.

Executive Summary

- The semiconductor industry strongly supports H.R. 5882, H.R. 5921, and H.R. 6039 and urges prompt passage this year.

- High-skilled immigration reform is part of SIA's three pillars of innovation that are necessary for the U.S. to compete in the global economy. The three pillars are 1) support for basic research, 2) a talented workforce, and 3) pro-innovation tax policies

- While relatively small in number, foreign nationals play a critical role in maintaining U.S. leadership in semiconductors. Foreign nationals comprise half of the masters and 71 percent of the PhDs gradating from U.S. universities in electrical engineering, and they help create the successful products that support other jobs throughout the company.

- Skilled foreign nationals should be a permanent part of the workforce but are prevented from doing so by caps on green cards that have not been changed since 1990.

- SIA companies seek permanent resident status for 97% of their H-1B hires. The industry is currently seeking permanent residency for about 3,800 employees--20% of those employees were hired four or more years ago.

- While waiting, these employees face limitations on their ability to move or be promoted without restarting the green card process, and international travel can be problematic. The employees' spouses are often not able to work due to the temporary status.

- Foreign nationals are frustrated by the long waits putting their lives in limbo and seek alternatives – either with another employer or with the same employer's offshore operations.

- Many U.S. companies are finding "work around" solutions that often involve R&D sites overseas, and as a result downstream benefits are not flowing to the U.S. economy.

- Last October the SIA found common ground on green card issues with the Institute of Electrical and Electronics Engineers – United States of America (IEEE-USA), an organization whose differences with high tech associations on H-1B issues were well known.

- The common positions with IEEE-USA centered around permanent resident issues including raising the employment-based immigrant visa cap with an exemption for foreign professionals with advanced degrees in STEM fields from U.S. universities and creating a new foreign student visa category to

allow U.S. STEM bachelor's or higher degree holders who have a job offer to transition directly from student visas to green cards.

- **In May the SIA and the IEEE-USA followed up its letter on long term reforms with specific support for H.R. 5882, H.R. 5921 and H.R. 6039:**
  - **By exempting Science, Technology, Engineering and Mathematics (STEM) graduates from the current employment-based admissions quotas, H.R. 6039, will ensure that this talent is retained to benefit the U.S. for the long term.**
  - **H.R. 5921 will put an end to the interminable delays for skilled foreign professionals from certain countries by eliminating unduly restrictive per country limits on employment-based immigration.**
  - **H.R. 5882 will help to reduce visa backlogs and processing delays in immigrant admissions by "recapturing" unused employment-based visas from prior years for immediate use.**

SIA supports high-skilled immigration reform within the context of the three pillars of innovation.

Let me state at the outset that the semiconductor industry strongly supports H.R. 5882, H.R. 5921, and H.R. 6039 and urges prompt passage this year. These bills will exempt foreign nationals who graduate with masters and PhDs and have a job offer in the U.S. from the current employment-based admissions quotas, eliminate unduly restrictive per country limits on employment-based immigration, and recapture unused employment-based visas from prior years and making them available for immediate use.

Before discussing the importance of these three bills, I should note that **the industry's support for high-skilled immigration reform is part of our complete set of recommendations to promote innovation in the U.S.** We have described our innovation agenda as the "three pillars", including increasing Federal support for basic research in the physical sciences; improving talent in the U.S. by reforming our immigration laws and improving K-12, undergraduate and graduate STEM education; and enacting pro-innovation tax policies by making permanent and enhancing the R&D credit.

A major element of the three pillars is improving STEM education. SIA supports maintaining standards and accountability in No Child Left Behind, and appropriations needed to ensure that our nation's children improve in science and mathematics. While support for education is primarily a government responsibility, the semiconductor industry has stepped up and invested heavily in this area as well. The SIA's most recent K-12 catalog, available on request, found that in the past 3 years:

- **the combined spending by member companies on K-12 programs is over $275 Million,**
- more than 310,000 teachers have been trained or received support through member sponsored programs, and
- over 14.5 Million students have been reached by the programs these companies support.

The need for a U.S. innovation agenda is becoming more evident every day. Better, faster, and cheaper chips are driving increased productivity and create jobs throughout the economy. For over three decades the industry has followed Moore's Law, under which the industry has doubled the number of circuits on a single chip so that today the cost of making one million circuits is one penny.

Given the ubiquity of semiconductor devices, and its central position in the U.S. economy, it is critical that the U.S. continues to lead in this technology. Yet, increasingly other nations are challenging along various points in the value chain. For example, in 2002 31 percent of new semiconductor manufacturing equipment was sold in the U.S., an indication that the U.S. was maintaining a reasonable share of leading edge semiconductor manufacturing capacity. Today, a mere five years later, only 16 percent is sold in the U.S.

We are approaching a critical crossroad. The semiconductor technology advances that have enabled the information age are projected to end around 2020 as we reach the physical and other limits of our ability to pack more circuits on each semiconductor chip using current technology. At that point, revolutionary new nanotechnologies will be needed. The basic research discoveries on which these new technologies depend must be made today if the technologies will be available for commercialization about a decade from now. Simply put, as we approach the fundamental limits of the current technology which has driven the high tech industry, the country whose companies are first to market in the subsequent technology transition will likely lead the coming nanoelectronics era the way the U.S. has led for half a century in microelectronics. Immigration reform plays a critical role in ensuring that America earns this leadership position.

With this broader context in mind, I would now like to move to the specifics of the immigration issue, focusing on three specific topics:

- The critical role that immigrants play in maintaining U.S. leadership and how U.S. immigration policy is undermining our ability to compete;

- SIA's work with the IEEE-USA to develop a consensus position on green card reform, and

- SIA's support for the H.R. 5882, H.R. 5921, and H.R. 6039.

Immigrants play a critical role in maintaining U.S. leadership, yet U.S. immigration policy undermines our ability to compete

The number of foreign engineers hired by the semiconductor industry is relatively small – about 1,628 new H-1B hires (as opposed to lateral hires) in 2007. The number would, of course, be larger if the H-1B was not subject to a cap, but even in past years when the cap was substantially higher, the industry's H-1B hires were around 3,000.

The relatively small numbers belie the important role that foreign workers play in the success of the semiconductor companies. **Foreign nationals comprise half of the masters and 71 percent of the PhDs gradating from U.S. universities** in the engineering fields needed to design and manufacture the complex circuits that are embodied in silicon chips. They play an important role in performing the research to continue to increase the density of circuits on each chip, finding ways to lower manufacturing costs, developing and launching new products, and providing applications expertise to help customers to design-in new semiconductors in their electronic systems. By lending their particular talents, our foreign employees are creating the jobs in other parts of the company such as administration and production.

Since foreign workers are vital to the success of semiconductor companies, they try to incorporate them as a permanent part of the workforce. SIA's workforce committee survey found that companies are seeking permanent resident status for 97% of their H-B hires. The caps on green cards are thus a major problem for the industry. The industry is currently seeking permanent residency for about 3,800 employees. About 20% of these employees were hired four or more years ago. While waiting, these employees continue to be under the restrictions of the H-1B visas program such as limitations on their ability to move or be promoted and on their spouse's ability to work.

Needless to say, individuals become frustrated and some seek alternatives – either with another employer or with the same employer's offshore operations. One SIA member, LSI Corporation, reported that within the past year it had six employees leave the country based on the fact that they grew tired of the green card process, several of whom went to work for another company.

Another SIA company, Texas Instruments reports that four years ago it hired a design engineer with a masters in electrical engineering from Georgia Tech. He is now the lead designer on some key new products in a growing business segment and his impact on net revenue has been close to $1.75M with projections to go up to $5M in the next few years. He was hired on an H-1B visa while awaiting permanent resident status. Originally from India, he likely faces several more years of wait time.

My company, National Semiconductor, has a Product Quality Management engineer with a masters degree from the University of Texas at Arlington who is an Indian national. He was hired in 2001 and had worked at National Semiconductor's chip fabrication plant in Arlington, Texas for 6 years. His skill and expertise from working at this facility made him an ideal candidate for a position that National had open for over

six months which involved ensuring that new products can be efficiently manufactured at National's factories. A number of American jobs in our product design group and our factories depend on the efforts of this engineer. Since the position involved a promotion and relocation, the person had to start the green card process anew last year and absent passage of green card reform bills will likely face another four years of waiting.

Our problems are not restricted to nationals facing country quota backlogs. National Semiconductor hired a design engineer 5 years ago with a masters degree in electrical engineering from Stanford University. Originally from France, he is a lead designer providing critical high speed analog design knowledge that will allow future cell phone towers to handle more data. These products are providing approximately $2M annual revenue, with a projected cumulative revenue of $15M over the next five years. He was hired on an H-1B visa and soon after a traditional labor certification application was filed on his behalf. However the Labor Department did not respond with recruitment instructions until last year, slowing the process considerably. His application for an Adjustment of Status (I-485) was finally able to be filed last summer, but he is still waiting for an approval.

Many U.S. companies are finding "work around" solutions that often involve R&D sites overseas, meaning that the downstream benefits are not flowing to the U.S. economy. We may be seeing evidence of work-arounds in the semiconductor industry, as the percent of H-1Bs hired compared to total college hires has dropped from 57% in 2005 to 40% in 2007. The decrease is not a result of universities graduating a smaller percent of foreign students. A more likely explanation is that companies are hiring foreign students and placing them at offshore facilities.

Other nations recognize the dilemma facing U.S. companies and their foreign national employees. The European Commission has recently announced its intent to issue "blue cards" which were inspired by our green cards. In announcing the plan to provide a fast and easy path to stay in Europe, the President of the European Commission declared "With the EU Blue Card we send a clear signal: Highly skilled people from all over the world are welcome in the European Union."

SIA work with the IEEE-USA on broader reform

Last summer, following the Senate's determined but ultimately unsuccessful effort to pass a comprehensive immigration package, the SIA concluded that the problems created by our current outdated policies regarding highly skilled immigration were too important to abandon and decided to consider new approaches to the issue. Given the difficult political issues surrounding changes to immigration policy, SIA determined that it is all the more important for parties with different viewpoints to come together and seek common understanding.

With this in mind, the SIA approached the Institute of Electrical and Electronics Engineers – United States of America (IEEE-USA), an organization whose differences with high tech associations on H-1B issues were often highlighted in media stories. Electrical and electronics engineers design the complex circuits that are embodied in silicon chips, and represent about half of the semiconductor industry's engineering workforce, making the IEEE-USA an appropriate organization to engage. **IEEE-USA agreed to work with SIA to define areas of common ground** focused on the ability of highly-talented individuals to get permanent resident status (green cards) in an expedited manner.

In October 2007, SIA and IEEE-USA sent a letter to the House Judiciary Committee majority and minority leadership supporting efforts to attract and retain foreign professionals with advanced degrees in STEM fields as legal permanent residents. The letter specified that SIA and IEEE-USA both "support legislation that will strengthen America's high tech workforce by:

- **Raising the employment-based immigrant visa cap, including an exemption for foreign professionals with advanced degrees in STEM fields from U.S. universities,**

- **Creating a new foreign student visa category** to allow U.S. STEM bachelor's or higher degree holders who have a job offer to transition directly from student visas to green cards,

- **Extending post curricular optional practical training** for foreign students from 12 months to 24 months to allow them to go more easily from temporary to permanent resident status, and

- **Exempting the spouse and children** of certain employment-based professionals from the employment-based immigrant visa cap "

The letter noted that while both SIA and IEEE-USA believed there is value in providing a clear statement of areas of agreement, both organizations continued to have broader immigration positions that include elements in which they were not aligned.

SIA joining IEEE-USA to support HRs 5882, 5921, and 6039

On May 16, 2008, the SIA and the IEEE-USA sent a letter to Subcommittee on Immigration, Citizenship, Refugees, and Border Security Chairman Zoe Lofgren to **urge prompt enactment of three permanent, employment-based immigration reform bills -- H.R. 5882, H.R. 5921 and H.R. 6039.**

The letter noted that both organizations "continue to support the fundamental employment-based reforms that we outlined last fall, but recognize that the modest proposals that [have been] put forward are a realistic starting point."

The letter laid out the advantages of each of the three bills, and noted that the need for reform is compelling and deserving of bipartisan support.

- As noted above, foreign nationals comprise half of the masters and 71 percent of the PhDs in electrical engineering at U.S. universities. These graduates and others earning advanced degrees in Science, Technology, Engineering and Mathematics (STEM) fields at U.S. schools often have to wait six or more years for employment based permanent resident status. By exempting these graduates from the current employment-based admissions quotas H.R. 6039, will ensure that this talent is retained to benefit the United States for the long term.

- Due to limits under current law, applicants for employment-based immigrant admissions from high demand countries, such as India and China, often have to wait seven to ten years or more for their immigrant visa petitions to be adjudicated. H.R. 5921 will put an end to such interminable delays for skilled foreign professionals, including engineers and scientists, by eliminating unduly restrictive per country limits on employment-based immigration.

- H.R. 5882 will help to reduce visa backlogs and processing delays in immigrant admissions by "recapturing" unused employment-based visas from prior years and making them available for immediate use by petitioners who meet all statutory requirements for admission as legal permanent residents.

The letter concluded that "If enacted, these three simple changes will enhance U.S. technological competitiveness and enable highly educated immigrants to contribute to job creation in the U.S."

Summary

The U.S. semiconductor industry has been the world leader since the invention of the transistor in 1948. This leadership is now facing new challenges as other nations gain along various points in the value chain such as leading edge manufacturing capacity and as we approach the physical and other limits of our ability to pack more circuits on each semiconductor chip using current technology and must transition to a replacement technology.

If the U.S. is to continue to lead in semiconductors, it must embrace the three pillars of innovation by supporting basic research, ensuring a talented workforce, and enacting pro-innovation tax policies. To ensure a talented workforce, the U.S. must invest in science, technology, engineering and mathematics (STEM) education and it must permit foreign nationals to work in the U.S. rather than force them to work overseas, often for our competitors. Foreign nationals comprise half of the masters and 70 percent of the PhDs gradating from U.S. universities in electrical engineering, and they help create the successful products that support other jobs throughout the company.

The long waits created by the cap on permanent resident visas is creating frustrations among our foreign national employees and they are seeking alternatives with other employers or with their current employer's offshore operations. Many U.S. companies are finding "work around" solutions that often involve R&D sites overseas, meaning that the downstream benefits are not flowing to the U.S. economy.

The SIA has sought common ground with others outside of the industry, resulting in a set of long term recommendations on immigration issues and specific support for H.R. 5882, H.R. 5921 and H.R. 6039 with the IEEE-USA. We urge the Congress to also seek common ground and pass these modest proposals on a bipartisan basis as a first step towards passage of long term reforms at a later date.

Ms. LOFGREN. Thank you.

All the bells are telling us that we have actually five votes on the floor of the House, so that is going to interrupt our hearing. But perhaps we can get one more witness statement in before we adjourn to the floor. We will be gone probably for about 40 minutes, is my guess, with apologies, but we have to go.

So, Mr. Colby, if we could hear from you now, and then we will come back and hear from the others.

STATEMENT OF LEE COLBY, ELECTRICAL ENGINEER, LEE COLBY & ASSOCIATES, PAST CHAIR OF THE INSTITUTE OF ELECTRICAL AND ELECTRONICS ENGINEERS, SANTA CLARA VALLEY SECTION

Mr. COLBY.0 Good morning, Congressman Lofgren.

My name is Lee Colby, and I am testifying today on behalf of IEEE-USA, which represents a group of engineers 215,000 strong in the United States, of which 22 percent are foreign-born Americans.

I have been a professional electrical engineer for over 50 years in Santa Clara Valley. In fact, I was in the Valley when it was called the Valley of Hearts Delight. For my first 36 years of my career, I worked at Hewlett-Packard as an electrical engineer.

I left HP in 1997 and started Lee Colby and Associates which consults on circuit and system designs for some of the world's leading technology firms. In 2000, I decided to try my hand in a technology startup, O'LE Communications, as chief technical officer.

It was at O'LE that I had my most direct experience with our immigration system. We employed about 24 employees, half in Taiwan and half in the United States. During the dot.com boom, we had trouble finding American workers, so we turned to the H-1B program. When the dot.com boom burst, those workers were unable to transfer to another company and so had to leave. H-1B workers are effectively tied to their employer, creating a dependency that is both unjust and harmful.

In 2005, I chaired, as Chairwoman Lofgren said, the IEEE Santa Clara Valley section, representing over 13,000 electrical and electronics engineers in the San Jose area. I also, though, volunteer as a math and science teacher assistant at the Sunnyvale Middle School and teach a class in fuel cells and solar cells for advanced high school children at San Jose State University.

In other words, I know both ends of the technology sector inside and out. For almost 50 years, I have been deeply involved with cutting-edge technology and the men and women who developed it. I understand the problems faced by engineers and employers, and I believe the approach to high-skill immigration reform being offered by Chairman Lofgren is a good one for all parties.

Earlier this year, the House Immigration Subcommittee, Chair Zoe Lofgren, and a bipartisan team of legislators introduced three important proposals. We support all three bills, as noted in the record. I am especially pleased to see that H.R. 6039 would allow graduate students to move quickly from a student visa to a green card.

Remember it is not a question of whether the talented graduates of our schools get jobs but only where those jobs would be located,

and if we force them to leave, the jobs created by the world's most talented people will not be in our country, but rather in whatever nation had the foresight to accept them.

Today, my neighborhood is filled with workers on H-1B visas. In the evening, while walking Heidi, my miniature schnauzer, they tell me what they will do once they become American citizens. They plan to start their own companies, create exciting and profitable new products—entirely new industries, in some cases. Why are we making them leave?

On the plane coming over, I met James Stubbs, chief science officer of Cianna, a small 35-person medical company. They make a cutting-edge device for treating breast cancer. They employ two H-1Bs. One is from Costa Rica and is in their advanced research R&D. The other is from India and does field research. Both of these H-1Bs are integral to the success of their company. Do you want the company to be successful for 6 years or 30 years?

Temporary visas like H-1B do nothing to enhance America's long-term competitiveness. They are a short-term fix that will weaken us in the long run. The H-1B visa is a great way to train our overseas competition but is an awful way to build our workforce.

Innovative companies do not need innovative people for 6 years. They need them for 30. Moreover, H-1B visa engineers are easy to exploit, harming both American and foreign engineers. America does not need skilled temporary workers. We need skilled Americans, and citizenship requires at least an EB visa.

In conclusion, IEEE-USA members share the belief that making foreign nationals with the knowledge, skills, and determination citizens has always served America's best interests. We urge Congress to reform the Nation's permanent employment-based admissions system. An integration policy based on the concept of green cards, not guest workers, will help America create jobs, maintain its technological competitiveness, and ensure our success.

The goal of U.S. immigration policy should be to facilitate the entry of talented people, including potential inventors, innovators, and entrepreneurs from other countries. Congress should grant them legal permanent resident status and put them on a path to full-fledged American citizenship.

Thanks, Congresswoman Lofgren and fellow Committee Members, for the opportunity to speak to you about the future of the United States of America. Congress, please pass the Lofgren bill.

Thank you.

[The prepared statement of Mr. Colby follows:]

PREPARED STATEMENT OF LEE COLBY

Thank you for inviting me to speak today. My name is Lee Colby and I am testifying today as a member of the Institute of Electrical and Electronics Engineers-United States of America (IEEE-USA). The Institute of Electrical and Electronics Engineers (IEEE) is a multi-national professional/technical society made up of more than 375,000 individual electrical, electronics, computer and software engineers in 150 countries. IEEE-USA promotes the professional careers and technology policy interests of IEEE's 215,000 U.S. members, 22% of whom were born in other countries.

I have been a professional electrical engineer in Silicon Valley for almost fifty years. In fact, I was in Silicon Valley when it was still known as the Valley of Hearts Delight. For the first 36 years of my career I worked as an electrical engineer for Hewlett-Packard. I left HP in 1997 and started Lee Colby and Associates

which consults on circuit designs for some of the world's leading technology firms. In 2000 I decided to try my hand in a technology start-up, O'LE Communications.

It was at O'LE that I had my most direct experience with our immigration system. We employed about 24 employees, half in Taiwan and half in the U.S. During the dot.com boom, we had trouble finding American workers, so we turned to the H-1B program. When the dot.com boom burst, those workers were unable to transfer to another company and so had to leave. This is not uncommon. H-1B workers are, effectively, tied to their employer, creating a dependency that is both unjust and harmful. It would have been better if we could have hired all of our workers as permanent residents, but that is simply not a practical option, especially for small firms.

In 2005, I served as Chair of IEEE's Santa Clara Valley Section, representing over 13,000 electrical, electronics and computer engineers in the San Jose area. I also volunteer as a math and science teacher's assistant at the Sunnyvale Middle School and teach a class on fuel and solar cells for advanced high school students at San Jose State during the summer.

In other words, I know the technology sector inside and out. For almost 50 years I have been deeply involved with cutting edge technology and the men and women who developed it. I understand the problems faced by engineers and employers. And I believe the approach to high-skill immigration reform being offered by Chairwoman Lofgren is a good one for all of the parties involved.

IMPORTANCE OF EDUCATION, INFRASTRUCTURE AND IMMIGRATION FOR US ECONOMIC AND TECHNOLOGICAL COMPETITIVENESS

Continuing US economic and technological leadership in the 21st Century will depend in no small part on the nation's ability to marshal the resources and the will to:

1) increase high quality educational opportunities for US students at all levels, especially in critical disciplines like math and science;
2) improve America's high tech infrastructure, including its basic and applied research and development capabilities; and
3) enact immigration reforms that will give priority to the legal permanent admission of persons with the knowledge, skills and talents needed to sustain America's unparalleled tradition of invention, innovation and entrepreneurship.

Balanced reforms in the nation's legal permanent and temporary admissions programs are particularly important if U.S. employers and U.S. workers are to compete and succeed in an increasingly knowledge-based, technology-driven global economy. Instead of becoming more dependent on temporary non-immigrant visa programs, like the H-1B, IEEE-USA recommends that Congress make permanent immigrant admissions programs the preferred option for adding skilled and educated workers to our economy.

To this end, IEEE-USA urges Congress to put aside longstanding partisan differences and take immediate steps to:

1) Increase the availability of permanent, employment-based (EB) visas and streamline the immigrant admissions (Green Card) process in order to make these visas the preferred path to legal permanent resident status and full citizenship for foreign professionals in STEM fields,
2) Allow foreign students who earn advanced degrees in STEM fields from U.S. colleges and universities to transition directly from temporary student visas to legal permanent resident (Green Card) status,
3) Reform the H-1B temporary work visa program to ensure that U.S. and foreign workers are treated fairly by requiring all participating employers to make good faith efforts to recruit U.S. workers, to use the H-1B program to augment, not replace American workers and to pay H-1B workers fair, market-based wages, and
4) Expedite visa processing for trusted short-term visitors, including foreign professionals who come periodically to attend conferences and meetings, to teach, or to conduct research in the United States.

TWO LOFGREN BILLS ADDRESS PERMANENT EMPLOYMENT-BASED ADMISSIONS

Earlier this year, House Immigration Subcommittee Chair Zoe Lofgren and a bipartisan team of like-minded legislators introduced three important permanent immigrant admissions reform proposals. Two of these bills make simple, easy to implement reforms that will reduce the waiting times that talented people—and their

prospective employers—must currently endure before they can be admitted permanently to live and work in the United States.

- *HR 5882* will help to reduce the backlog for highly skilled admissions by recapturing an estimated 220,000 employment-based Green Cards that were not issued between 1992 and 2007 due to bureaucratic inefficiencies.
- *HR 5921* will further reduce administrative backlogs and waiting times by eliminating per country limits on employment-based admissions from high demand countries like India, the Philippines and Mexico. If the U.S. needs to add skilled workers to our economy, and I think we do, why do we care which countries they come from?

I believe there are at least two additional reforms that Congress should consider to further increase the availability of immigrant visas for foreign-born high tech professionals.

One would be to raise the statutory admissions ceiling on permanent employment-based visas. The current 140,000 annual limit is unduly restrictive and should be expanded.

Another would be to exclude spouses and minor children from the annual cap. Such a step would free up as many as 60,000 additional employment-based visas per year for the exclusive use of principals, including high tech professionals.

THIRD LOFGREN BILL ADDRESSES HIGH TECH TALENT RETENTION PROBLEMS

Representative Lofgren's third proposal—and an identical bill, S. 3084, recently introduced by Senators Barbara Boxer (D-CA) and Judd Gregg (R-NH)—addresses a growing high tech talent retention problem that adversely affects many U.S. businesses, educational institutions and government agencies.

HR 6039 will exempt foreign nationals with advanced degrees in STEM fields from U.S. educational institutions from the limits on permanent employment-based admissions. If enacted, this reform will enable foreign students with U.S. graduate degrees in technology-based disciplines to get Green Cards upon completion of their studies rather than having to return to their home countries or remain here for as long as a decade on a temporary (non-immigrant) visa until a Green Card becomes available.

Graduates from American schools are among the most sought after employees in the world. This is especially true of students who receive Masters and PhD degrees in STEM fields. America has already invested in these students' education. The students speak English, have lived here for several years and, to qualify for an employment-based visa, have a job. It is in America's interest and Americans' interest that we allow them to put their talents and education to work here.

Remember, it is not a question of whether the talented graduates of our schools will get jobs, only of where these jobs will be located. If we force them to leave, the jobs they create will not be in this country, but rather in whatever nation had the foresight to accept them.

IEEE-USA and the Semiconductor Industry Association (SIA)—two groups that have long been on opposite sides of the table on temporary work visa issues—have joined forces to promote prompt enactment of all three Lofgren proposals. Our two organizations are very encouraged by the possibility that Chairwoman Lofgren's reform bills will help to shift the focus of the debate about high tech immigration away from the controversial H-1B program to immigration reform proposals on which America's business organizations, educational institutions, labor unions and professional societies are more likely to agree.

WHY IMMIGRATION IS BETTER THAN TEMPORARY VISAS

My beliefs on this subject have been informed by my 50 years as an electrical engineer and my deep involvement with the engineering community. During my service as Chair of IEEE's Solid State Circuits Society Chapter in San Jose, 15% of our members, all highly trained engineers, were without jobs. I have had friends replaced by H-1B visa holders and had friends have their jobs moved overseas. I have seen companies, including my own, lose business opportunities because they could not find the right skilled people. I have also lost some of my best employees and friends when their H-1B visas expired, forcing them to leave the country.

Today, my neighborhood is filled with workers on H-1B visas. While walking my miniature schnauzer in the evening, they tell me what they will do once they become American citizens. They plan to start their own companies, create wondrous (and profitable) new products, entirely new industries in some cases. What I would like to know is: Why are we making them wait, and making our country wait, before letting them fully contribute to our society? How is this in our country's interest?

The United States needs more skilled engineers and scientists. We need to educate more of our own students in these fields, but the United States does not have a monopoly on talent. There are hard working, innovative and smart people all over this planet, many of whom would apply their skills here, if given a chance. Congress needs to give them that chance.

But how that opportunity is offered counts more than the offer itself. Temporary visas, like the H-1B, do little to enhance America's long-term competitiveness. They are a short-term fix that will weaken us in the long-run.

The H-1B visa is a great way to train our overseas competition, but it is an awful way to build our workforce. Innovative companies do not need innovative people for six years—they need them for thirty. Moreover, the subservient position H-1B visa place workers in makes them easy to exploit, harming both American and foreign engineers.

America does not need skilled temporary workers. We need skilled Americans. And American citizenship requires an EB visa.

CONCLUSION

IEEE-USA is convinced that welcoming foreign nationals with the knowledge, skills and determination needed to succeed and making them citizens has always served America's best interests. Accordingly, we urge Congress to make needed reforms in the nation's permanent, employment-based admissions system rather than simply raising the H-1B visa cap. We firmly believe that an immigration policy based on the concept of "Green Cards, Not Guest-workers" will do far more to help America create jobs, maintain its technological competitiveness, and ensure its economic and military security than continuing to rely on temporary admissions programs.

The goal of U.S. immigration policy should be to facilitate the entry of talented people—including potential inventors, innovators and entrepreneurs from other countries. Congress should grant them legal permanent resident status and put them on a path to full-fledged American citizenship.

Congress should pass the Lofgren EB reform bills.

Ms. LOFGREN. Thank you very much, Mr. Colby.

We are now going to adjourn to vote on the floor of the House. We will recess, and I think we will not be back before 12:15. Let's say we will be back at 12:25, if at all possible. There is a cafeteria and coffee shop in the basement, if people want to get a cup of coffee, and we will see you, we hope, about 25 minutes after 12.

[Recess.]

Ms. LOFGREN. So the Subcommittee will come back to order, with apologies to all for the interruption.

We are eager, however, to hear the rest of our witnesses as well as the second panel. I think we have a window of about an hour and a half before the next set of votes.

So we will proceed promptly to Mr. Pearson.

STATEMENT OF JOHN PEARSON, DIRECTOR OF THE BECHTEL INTERNATIONAL CENTER, STANFORD UNIVERSITY, ASSOCIATION OF INTERNATIONAL EDUCATORS

Mr. PEARSON. Madam Chairwoman and distinguished Members of the Subcommittee, thank you very much for the opportunity to testify this morning in support of H.R. 6039.

My name is John Pearson, and I am director of the Bechtel International Center at Stanford University. I am testifying today on behalf of my professional association, NAFSA, the Association of International Educators. NAFSA is the world's largest professional association dedicated to the promotion and advancement of international education and exchange. I am also testifying with support from Stanford.

My remarks today will focus on the broad challenges the United States now faces in attracting and retaining international students. Of specific interest, of course, is the current law capping the number of green cards issued annually, even to those who graduate from U.S. colleges and universities with higher degrees.

The United States is in a global competition for international students and scholars. That may seem like an unremarkable statement, but often U.S. law and policy does not always reflect an understanding of this reality.

Though the U.S. is renowned and still renowned for being home to the majority of the top colleges and universities in the world, the international student market is being transformed in this century. There are many new players in the game, acting much more purposefully and strategically than ever before.

Competitor countries have implemented strategies for capturing a greater share of this market. Their governments are acting to create more streamlined visa and entry processes and more welcoming environments and are setting goals for international student recruitment.

Our neighbor, Canada, recently changed its employment policy to allow international graduates to work for up to 3 years after graduation, and, in fact, Canada does recruit international students on our own campuses, including my own. They have visited Stanford three times in the last few years to talk to students about opportunities in Canada.

At Stanford, we have been recently dealing with the homeland security extension on practical training for STEM students. A broader context is that France, Germany, the United Kingdom, and Canada have all made similar changes to the possibilities for international students remaining in those countries and working after graduation.

New competitors will also enter the market for international students. Primary among them is the European higher education area which compromises the signatories to the Bologna Declaration. This goal is to create a seamless higher education system in Europe by 2010 with credits entirely transferrable among their higher education institutions and often instruction in English. The European Union is also considering a blue card, similar to our green card, to be more competitive for non-European talent.

Other countries are recognizing the value of educating the next generation of leaders and attracting the world's scientific, technological, and intellectual elite. U.S. immigration law and policy has not yet effectively been adapted to this era of globalization. My own institution has been witness to this, as we also offer services to hire foreign-born faculty and researchers.

But even so, many of the best and the brightest around the world still wish to come here and study. We should welcome them by creating a clearer path to green card status for them that is not tied to these low caps on the green cards available annually.

In a global job market, employers look for the talent they need wherever they can find it, and students and highly talented workers look for the places to study and work that offer them the most opportunity. This means the options for employment after gradua-

tion are integral to attracting bright and talented international students.

Employment prospects are often a part of their calculus in deciding where to study, work, and live. Not all students who arrive in the U.S. wish to remain. Some have commitments to their home country. But others discover their potential in the environment of U.S. higher education and their career and life goals are changed. Google, Hotmail, Yahoo are some examples in Stanford's own backyard of former students who have remained in the United States.

I do not think it is a secret that U.S. immigration law often makes it difficult for international students to work after graduating, even from the most prestigious U.S. higher education institutions. The annual H-1B cap lottery is reported internationally, highlighting that the entire annual allotment is depleted in a day or two.

In conclusion, what better way to capture the world's best and brightest who want to become part of our Nation than to make it easier for them to remain to contribute to American economic and scientific leadership after they graduate from U.S. universities? It is with these comments that I am delighted to support H.R. 6039.

Thank you very much.

[The prepared statement of Mr. Pearson follows:]

PREPARED STATEMENT OF JOHN PEARSON

Madam Chairwoman and distinguished Members of the subcommittee, thank you very much for the opportunity to testify this morning in support of H.R. 6039. My name is John Pearson and I am the Director of the Bechtel International Center at Stanford University. I am testifying today on behalf of my professional association, NAFSA: Association of International Educators. NAFSA is the world's largest professional association dedicated to the promotion and advancement of international education and exchange, with over 10,000 members. Last month NAFSA had its 60th annual conference in Washington, DC, with over 9,000 attendees. I also testifying with support from my own institution

My remarks today will focus on the challenges the United States now faces in attracting and retaining international students. Of specific interest today is the current law capping the number of green cards issued annually, even to those who graduate from U.S. colleges and universities with degrees. This limitation on the talent in high demand by our knowledge- and innovation-based economy will make it increasingly difficult to attract and retain these bright and talented students with every passing semester.

I. A GLOBAL COMPETITION FOR INTERNATIONAL STUDENTS

The United States is in a global competition for international students and scholars. That may seem like an unremarkable statement, but U.S. law and policy do not always reflect an understanding of this new reality. Though the United States is renowned for being home to the majority of the top colleges and universities in the world, the international student market is being transformed in this century. There are many new players in the game, acting much more purposively and strategically than ever before. Consequently, the best and brightest from around the globe are now aggressively recruited, and are able to choose from more options than ever before.

Competitor countries have implemented strategies for capturing a greater share of the market. The UK and Australia are the classic examples. Their governments are acting to create more streamlined visa and entry processes and more welcoming environments, and are setting increasingly aggressive goals for international student enrollment. Our neighbor, Canada, recently changed its employment policy to allow international graduates to work for up to three years after graduation. Canada recruits our international students on our campuses, including my own, highlighting Canada's more liberal employment policies. That is not to say that our competitors don't have their own problems—they do. But we are not acting as strategically to take advantage of their weaknesses as they are to take advantage of ours.

New competitors have entered the market. Primary among them is the European Higher Education Area, which comprises the signatories to the Bologna Declaration, including the European Union and other European states. The goal is create a seamless higher education system by 2010, with credits entirely transferable among their higher education institutions. Potentially, all the European higher education systems will work together with free movement of students among them as a counterpart to the United States. The EU is also considering a "Blue Card" similar to our green card to be more competitive for non-European talent.

Furthermore, countries once thought of as "sending countries" are building their indigenous higher education capacity and are encouraging students to stay home for their education so as not to lose them to the United States. China is engaged in a dramatic expansion and opening of its higher education system, and India is also emphasizing keeping its students home.

II. GREEN CARDS FOR U.S. GRADUATES

Other countries are recognizing the value of educating the next generation of world leaders and attracting the world's scientific, technological, and intellectual elite. U.S. immigration law and policy have not yet effectively been adapted to the era of globalization. My own institution is witness to this, but it is not alone. Even so, the best and the brightest still want to come here. We should welcome them by creating a clearer path to green card status for them that is not tied to unnecessarily low caps on the green cards available annually.

In a global job market, employers look for the talent they need wherever they can find it, and students and highly talented workers look for the places to study and work that offer them the most opportunity. This means that options for employment after graduation are integral to attracting bright and talented international students. Employment prospects are now a part of their calculus in deciding of where to study, work, and live. Not all students who arrive to study in the U.S. wish to remain; some have commitments to their home country. But others discover their potential in the environment of U.S. higher education and their career and life goals are changed.

It is no secret that U.S. immigration law makes it difficult for international students to work after graduating, even from the most prestigious U.S. higher education institutions. The annual H-1B cap lottery is reported internationally, highlighting that the entire annual allotment is depleted in a day or two. But the truth behind the overwhelming demand for H-1Bs is that many if not most of the applicants would rather be applying for a green card, but are unable to do so because of backlogs and delays. It is fair to say that many employers would also like to be able to make some of these students permanent employees sooner, rather than later.

It does not make sense that in a global competition for highly educated and talented workers, we turn away the graduates from our colleges and universities. This is doubly true for those graduating with Master's degrees and Ph.Ds. When they leave the United States, they go to work in other countries for companies that often directly compete with American companies.

What better way to capture the world's best and brightest who want to become part of our nation than to make it easier for them to remain to contribute to American economic and scientific leadership after they graduate from U.S. universities? Our ability to remain competitive and build our innovation- and knowledge-based economy requires that our laws reflect the reality of the global market for talent for international students and highly educated workers. Creating a clearer path to green card status for graduates from U.S. colleges and universities, in STEM subjects, would be a serious step in showing that we have a commitment to continuing to be the leader in international education and in industry.

Madam Chairman, appended to my testimony is NAFSA's 2006 report, *Restoring U.S. Competitiveness for International Students and Scholars,* which I ask to be included in the record.

Thank you again for the opportunity to testify. I will be pleased to respond to questions.

ATTACHMENT

Restoring U.S. Competitiveness

FOR INTERNATIONAL STUDENTS AND SCHOLARS

The United States is engaged in a global competition for international students and scholars.

That might seem like an unremarkable statement, but in fact, it is not clear that the nation even knows it is engaged in this competition. The international student market has been transformed in this century, with many new entrants acting much more purposively and strategically than ever before. The best and brightest from around the globe are now a sought-after commodity, and are able to choose from many centers of excellence where they can ply their creative skills. Yet, while other countries are working hard to access the benefits gained from educating the next generation of world leaders and from attracting the world's scientific, technological, and intellectual elite, the United States is curiously disengaged, content to compete with speeches, sound bites, and photo ops.

The best and brightest from around the globe are now a sought-after commodity, and are able to choose from many centers of excellence where they can ply their creative skills.

A senior Microsoft official once said to *New York Times* columnist and author Thomas L. Friedman, "We have really dramatically shut down the pipeline of very smart people coming to the United States." In a knowledge economy—where knowledge is the coin of the realm—such a statement is alarming. Why are we closing off the United States in this way? It is not, of course, intentional. Rather, it is a consequence of our failure to adjust our thinking about security and immigration to the realities of the age in which we live.

Today we urgently renew our call for a national strategy to enhance U.S. leadership, competitiveness, and security by attracting the world's most talented students and scholars to America's campuses and research institutes. Our January 2003 report, *In America's Interest: Welcoming International Students*, provided a comprehensive strategy for attracting international students. This sequel analyzes the current U.S. competitive position for international students and scholars and provides updated, comprehensive recommendations for restoring U.S. competitiveness for these vital resources.

THE DECLINING U.S. COMPETITIVE POSITION

When we released our report three years ago, the U.S. position in the international student market appeared strong on the surface, but there were warning signs of an underlying weakness. The market was becoming highly competitive. Competitor nations were dismantling disincentives to study in their countries and implementing proactive strategies to attract international students. The United States was doing neither. As a nation, we lacked an overall strategic sense of our stake in educational exchange, assuming that international students would always come because they always had.

From today's perspective, we can see that by the time the report was released three years ago, the era of robust growth in international student enrollments in the United States was already over. There are now fewer international students enrolled in U.S. higher education institutions than there were in the fall of 2001. It is true that the collapse of the numbers has occasioned welcome, high-level rhetoric recognizing the strategic importance of attracting international students. However, the rhetoric is a mixed blessing: People forget that beneath it all, there is still no strategy—no real policy or plan for protecting the U.S interest in this asset.

What is most alarming is that, for the first time, the United States seems to be losing its status as the destination of choice for international students.

What is most alarming is that, for the first time, the United States seems to be losing its status as the destination of choice for international students. For a variety of reasons that go beyond education and recruitment policy, the United States has lost the allure it once had. It is no longer seen as being as attractive a country to the rest of the world, and that has profound implications not only for international students, but for U.S. leadership and security.

The picture for international scholars and researchers is not much better. Although the number of international scholars at U.S. doctoral degree-granting institutions increased in the academic year 2004–05 after two years of decline, according to the Institute of International Education, the near-universal perception of the nation's leading scientific associations is that their international members increasingly feel that the process of gaining entry to the United States is not worth the trouble.

The issue was highlighted briefly in the press in February 2006, when Dr. Goverdhan Mehta, an internationally renowned scientist from India and a frequent visitor to the United States, was refused a visa to lecture at a conference at the University of Florida, where he had previously served as a distinguished visiting professor. The refusal was reversed after an international outcry threatened to disrupt President Bush's visit to India, but Dr. Mehta ultimately declined the invitation in protest of a visa application process that he found burdensome and demeaning.

Although it is impossible to know how many scientists might have come to the United States over the past several years but did not want to put themselves through the daunting process of getting here, it stands to reason that the factors that repelled Dr. Mehta must play on the decisions of other eminent scientists as well, whose stories do not make it into the press. Like students, scholars have options. Leading specialists can do research at the frontiers of their fields at a variety of research and learning centers around the world. If the United States is not interested in creating a welcoming environment for them, they can and will go elsewhere.

WHY DOES THIS COMPETITION MATTER?

Why is it important to attract international students and scholars to the United States?

First, it promotes U.S. foreign policy and international leadership. The United States needs friends in the world—and educational exchange is a proven means of making friends. International students and scholars often return home with an appreciation for the United States and a network of personal connections to our country. Over the past half-century, U.S. foreign policy leaders have consistently acknowledged that educational exchange is one of our nation's most valuable foreign policy tools.

Second, attracting international students and scholars is an important way that the United States grows its knowledge economy. In an era of competition for scarce global talent, the countries that draw the world's best and brightest to their universities are the countries that will have the best talent pool from which to fill their cutting-edge jobs. The countries that create the most attractive environment for the world's finest scientists will do the most to enhance their scientific leadership. Indeed, the very diversity that we gain through openness to international talent itself fuels innovation and creativity.

Third, educational exchange benefits U.S. education. International students and scholars enrich their institutions and enable American students to have contact with other cultures and ways of thinking. Graduate students contribute to science instruction and research on their campuses. International scholars bring global expertise and the international dimensions and perspectives of their disciplines.

Fourth, spending by international students and their dependents contributes significantly to the U.S. economy. NAFSA's research indicates that $13.3 billion was contributed in the academic year 2004–05 to the bottom lines of universities and the communities where international students live.

Most importantly, in all of these ways, educational exchange enhances U.S. security. Immediately after 9/11, Americans feared that educational exchange threatened our national security. In fact, it is integral to our security; it is an investment we make to create a world in which we can be secure.

We believe that U.S. government and political leaders agree that attracting international students and scholars provides these benefits. What is necessary is to translate their strong public statements to that effect into concrete, strategic actions that will enhance the U.S. position in the crucial competition for international students and scholars.

Over the past half-century, U.S. foreign policy leaders have consistently acknowledged that educational exchange is one of our nation's most valuable foreign policy tools.

THE TRANSFORMATION OF THE INTERNATIONAL STUDENT MARKET

Because the capacity of U.S. higher education dwarfs that of any other country, the United States perennially has the largest share of the international student market. For decades, the number of international students studying in the United States increased virtually every year. It went largely unnoticed that U.S. competitiveness as measured by market share was in fact declining, a natural consequence of the development of increased capacity in other countries and complacency on the part of the United States. Today, the collapse of U.S. competitiveness is there for all to see, a result of the transformation of the international student market in this century, the implementation of post-9/11 security measures, the shattering of America's image in the world, and the absence of a U.S. strategy for addressing these problems.

The transformation of the market results from three primary factors. **First, our traditional competitor countries have adopted and implemented strategies for capturing a greater share of the market.** For example, Prime Minister Tony Blair announced a U.K. strategy for international student recruitment in 1999, the result of which was that international enrollments in the United Kingdom have increased by 118,000 students—more than twice the U.S. increase on a smaller base. In an April 2006 op-ed article entitled "Why we're putting up millions to attract more students from overseas"—a headline that is hard to imagine in this country—Mr. Blair announced a new initiative to increase international enrollments by another 100,000 over the next five years.

Second, new competitors have entered the market. Primary among them is the European Higher Education Area, which includes the signatories to the Bologna Declaration and encompasses the European Union plus other European states. Under the Bologna Process, the signatories (currently 45) are pledged to create a seamless higher education system by a target date of 2010, with credits entirely transferable among their higher education institutions. One of the stated objectives of the Bologna Process is to promote European higher education to the rest of the world—a task that is facilitated by the fact that, in order to encourage student mobility throughout the area, English is becoming a common language of instruction. It is now possible to study for a university degree in English in many non-Anglophone European countries. This initiative has made Europe, overnight, a major competitor in the international student market. Elsewhere, other centers of instruction (such as Singapore, Doha, and Dubai) have emerged to serve regional markets.

Third, countries once thought of as "sending countries" are building their indigenous higher education capacity and are encouraging students to stay home for their education so as not to lose them to the United States. China is engaged in a dramatic expansion and opening of its higher education system and India is also emphasizing keeping its students home. These countries are the source of 25 percent of all international students in the United States.

Today, the collapse of U.S. competitiveness is there for all to see, a result of the transformation of the international student market in this century, the implementation of post-9/11 security measures, the shattering of America's image in the world, and the absence of a U.S. strategy for addressing these problems.

These three developments are transforming the international student market into a highly competitive one. In the midst of all this, after 9/11, the United States instituted a series of visa restrictions that made it exponentially harder to get into the United States and—however unintentionally—sent a message to international students that they were not really wanted. This created the perfect storm.

Based on Institute for International Education data, the market has reacted quite clearly. In 2002–03, the first full academic year after 9/11, the United States experienced only a 0.6 percent increase in international students, following several years of increases in the 5 to 6 percent range. This was followed by declines in international student enrollments in the next two academic years—2.4 percent in 2003–04 and 1.3 percent in 2004–05—the only successive two-year decline in memory. Preliminary data for 2005–06 suggest that enrollments this year are essentially flat, leaving us with fewer international students than were here on 9/11.

A little-noticed factor that exacerbates these trends concerns the demise of the intensive English industry in the United States. Intensive English programs are a gateway to U.S. degree programs. Students who learn English here are more likely to pursue their university education here, and indeed, one of the ways that many universities have recruited international students is by attracting them to their English-language programs. Yet international student enrollments in U.S. intensive English programs have declined by almost 50 percent since 2000, and many schools offering these programs have closed. This is due primarily to the vastly increased difficulty of obtaining a visa for the specific purpose of studying English in the United States. One would be hard pressed to think of another major power in the world that discourages the study of its language.

We will not win back the market simply by adjusting visa procedures, and we will not win it back with a public relations campaign.

It is important to give credit where credit is due. The Department of State has done a great deal to ameliorate the visa problems it created after 9/11. But there is more work to do—and not just to fix the visa system. The issue now goes far beyond visas. What has happened is that post-9/11 security measures surfaced long-term trends that were already making the United States less competitive and provided, in economic terms, a "shock" that has moved the market to a different place. We will not win back the market simply by adjusting visa procedures, and we will not win it back with a public relations campaign. Restoring U.S. competitiveness will require a concerted strategy, involving many agencies as well as higher education itself, to make the United States a more attractive destination for international students and scholars both in word and in deed.

THE COMPETITION FOR INTERNATIONAL TALENT

The United States is engaging in the global competition for the world's best and brightest international students and scholars with three limbs tied behind its back. **First, we have overcorrected our visa system in reaction to 9/11.** In an effort to keep out the people we don't want, the system all too often fails to welcome the people we do want. Too many scientists (and others) are subjected to burdensome, unnecessary, and repetitive interviews and security-clearance procedures. We live in an age when mobility is the norm. The global competition for talent stems not only from talent's scarcity, but also from its mobility. When talent is both scarce and mobile, it is as important for the visa system to be a gateway for international talent as it is for it to be a barrier to international criminals. Under the able leadership of the assistant secretary for consular affairs at the U.S. Department of State, we are getting there, but the appropriate balance has not yet been found. (For further information, see our paper, "Promoting Secure Borders and Open Doors: A National Interest-Based Visa Policy for Students and Scholars.")

Second, the U.S. export control system also hampers the ability of U.S. universities and research laboratories to attract international talent. Under the guise of controlling "deemed exports," the United States is moving toward further limiting access to U.S. laboratories by the world's best foreign scientists—a measure that fails to understand the nature of scientific research, and that can have little effect in a world where advanced research is conducted in many locations. These controls may be an understandable reaction to 9/11, but they ultimately make the United States weaker by driving scientific talent to more welcoming countries. We welcome the Commerce Department's announcement in May 2006 that it was withdrawing an advance notice of proposed rulemaking with regard to deemed exports and instead will establish a Federal Advisory Committee to make recommendations for ensuring that a "deemed export licensing policy most effectively protects national security while ensuring the U.S. continues to be at the leading edge of technological innovation."

In a global job market, employers look for the talent they need wherever they can find it, and students and high-end workers look for the places to study and work that offer them the most opportunity.

Third, the U.S. immigration system has likewise not yet effectively adapted to the era of globalization. One reason to attract international students is that, increasingly, today's international students are tomorrow's innovators in the U.S. economy. It is a reality of our time that, at the high-skill level, the temporary immigration system has become a conveyor belt of talent into the permanent immigration system. In a global job market, employers look for the talent they need wherever they can find it, and students and high-end workers look for the places to study and work that offer them the most opportunity. What better way to capture the world's best and brightest for the United States than to make it easy for them to come here and easy for them to stay here and contribute to American economic and scientific leadership after they graduate from U.S. universities?

To be able to do this, we must reform our immigration laws in order to create and support a climate that encourages the contributions of foreign talent. Three issues must be addressed.

First, current law requires applicants for student (and in some cases scholar) visas to prove that they have "nonimmigrant intent"—that is, that they have no intention of remaining in the United States after graduation. Many foreign students do want to go home after graduation, but some of them want to stay here to use the knowledge they gained at our universities. Both outcomes are good for our country. The nonimmigrant intent requirement is inconsistent with today's realities and is not an effective tool of visa policy. It incorrectly assumes that all students want to immigrate permanently to the United States; it requires the consular officer to make a virtually impossible judgment call about a person's intentions in the course of a minutes-long interview; and it is a dumsy and unnecessary instrument for visa denial, tailor-made for arbitrary and capricious decision making. Most significantly, it prevents the United States from benefiting from the contributions of foreign students who might want to stay here, whether for the long term or for a few years.

Second, there are artificial annual caps on the numbers of visas for skilled foreign workers, which are reached early each year and leave many employers stranded in their search for qualified talent to fill key jobs. Businesses look to higher education institutions when they recruit employees, and they rely on foreign students, especially in the fields of science, technology, engineering, and math ("STEM", in common parlance), to fill in the gaps left by the shortage of qualified American graduates. As we work to encourage more of our own students to pursue study and careers in these fields, foreign students are also a crucial part of the equation.

Third, the U.S. immigration system lacks the flexibility to accommodate the international nature of scientific inquiry, academic collaboration, and business, putting us at a competitive disadvantage in the world. The very concept of "immigrating," as it is traditionally defined, is increasingly beside the point for students, scholars, and workers who are globally mobile. They may live in one country for a while, later move to another, and then return to their home country—or follow some entirely different combination of residency options.

We must reform our immigration laws in order to create and support a climate that encourages the contributions of foreign talent.

To enhance U.S. competitiveness for international students and to maximize students' exposure to U.S. society, immigration laws and regulations pertaining to employment must also be updated in other ways. International students should be permitted to work part-time off campus, as U.S. students are able to do, in order to enhance their American experience and their ability to earn spending money. The period during which students may work full-time after graduation under their student visas (Optional Practical Training) should be extended from one year to two years, which will help international students earn money to pay off student loans. Finally, new regulations are required to enable international students to participate in internships related to their studies. Competitor countries are taking all of these actions as part of their strategies to attract international students at the expense of the United States.

WHAT MUST BE DONE?

The United States has every reason to be competitive in attracting the world's talent. The U.S. higher education system dwarfs that of any other country and is widely acknowledged to be unsurpassed in quality. Our scientific research establishment is likewise the envy of the world. We have great strengths—if we would use them—but they do not automatically translate into competitiveness.

The United States must have a national strategy for restoring its status as a magnet for international students and scholars as a means of enhancing U.S. leadership, competitiveness, and security. The elaboration and implementation of this strategy must be overseen by a senior White House official who is responsible to the president for the result. There is no other way to impose order on a bureaucracy that currently takes two steps back for every one step forward in this arena.

In our 2003 report, we said that a strategic plan for attracting international students must encompass four areas for action:

- Develop a comprehensive national recruitment strategy that would coordinate the efforts of all relevant federal agencies.
- Remove excessive governmentally imposed barriers to international student access to the United States in the areas of immigration law and regulations and visa procedures.
- Address the issue of the high cost of a U.S. higher education through innovative loan, tuition-exchange, and scholarship programs.
- Develop a national marketing plan that carries a clear, consistent message about the advantages of U.S. higher education and that helps students navigate our complex higher education system and locate the institution that best meets their needs.

Our recommendations in the last two areas remain essentially unchanged. However, developments over the past three years, and broadening the discussion to include scholars and competitiveness issues, require a reassessment of the first two areas.

Coordinating U.S. Government Efforts

In 2003, we noted the virtual absence of coordination among the three U.S. government agencies responsible for international student recruitment—the Departments of State, Education, and Commerce. One can now see the beginnings of coordination, which is gratifying. However, there is a new player on the block that did not exist when we wrote our report—the Department of Homeland Security. DHS is the 800-pound gorilla. It fundamentally affects the U.S. position in the competition for international students and scholars. But it is equipped neither by mandate nor by organization and structure to advance the competitiveness agenda—let alone to achieve synergy with other agencies. The net result is that the United States government is in worse disarray on this matter than it was before 9/11. No one can enter the United States without the concurrence of the Department of State and DHS. Yet no one is imposing on those agencies a requirement that they pull in the same direction. Hence, they don't.

The United States has every reason to be competitive in attracting the world's talent.

We have great strengths—if we would use them—but they do not automatically translate into competitiveness.

A comprehensive strategy must do the following:

- **Provide for effective policy coordination by the disparate DHS bureaus that are responsible for admission, monitoring, and services for international students and scholars.** DHS is not currently capable of pursuing or participating in a coordinated strategy to enhance U.S. competitiveness.
- **Provide for policy coordination between the Department of State and DHS with respect to visa policy.** The current situation, in which the Department of State makes the individual visa decisions (with DHS oversight locally in some countries) and administers visa programs but DHS makes visa policy, gives DHS a veto over anything the Department of State does, without adding any value. In the absence of a proactive policy for attracting international students and scholars, policy becomes, in effect, the lowest common denominator of what the two agencies can agree to.
- **Provide effective mandates for the Departments of State, Commerce, and Education with respect to recruiting international students.** All three agencies play important roles in international student recruitment. But in Commerce and Education, the efforts tend to be orphans within their agencies, lacking priority and support at the senior levels. The Department of State's 450 overseas advising centers, often the first stop for international students seeking information about a U.S. education, do excellent work, most of them on a shoestring budget. But they are an underused resource. They need to be turned into a comprehensive marketing tool.
- **Provide for effective coordination among all four of these agencies, in addition to others that affect U.S. attractiveness for international students and scholars, including the Social Security Administration and the Internal Revenue Service (which regulate the availability of social security and tax identification numbers for international students and scholars).** All too often in the current policy environment, any agency at the table can veto a positive proposal. Until the president's representative is at the table articulating the president's instructions to make it easier for international students and scholars to enter and live in the United States—while maintaining needed security—policy will continue to be based on the sum total of every agency's security measures, and attractiveness measures will continue to lose out.

Removing Excessive Governmentally Imposed Barriers

The Department of State has been justly praised for the steps it has taken to undo the damage of the visa procedures it imposed in the months following 9/11. DHS also deserves to be recognized for the fact that SEVIS, the international-student monitoring system, does not now appear to be a significant negative factor in international students' decisions regarding study in the United States. Although these positive steps have been taken in the past three years, the inescapable reality is that the U.S. government has yet to create a welcoming legal and regulatory regime for international students and scholars.

To address the myriad barriers to and disincentives for study, research, and attending professional meetings in the United States, a comprehensive strategy must do the following:

- **Eliminate the legal requirement for applicants for student visas to demonstrate intent not to immigrate to the United States, at least for those pursuing degree programs.** Any bona fide student who has been accepted at an accredited U.S. higher education institution should be eligible for a visa, provided that he or she meets the other requirements of the law. Once in the United States, the duration of the student's stay is governed by the terms of the visa, the terms of admission, the legal options available to the student to change status, and the availability of jobs.
- **Remove inappropriate impediments to students' and researchers' changing status in order to work in the United States, by removing or adjusting unrealistic caps on temporary and permanent employment-based visa categories.** The caps on H-1B and permanent employment–based visas currently in effect are utterly unrealistic for a growing economy. U.S. employers should be able to hire the people they need, whether Americans or foreigners, without regard to artificial caps.

To get back on track, America needs to do better. We renew our call for national leadership to elevate international educational exchange as a national priority and to establish a national strategy to ensure that the United States can attract the best in talent from around the globe.

- **Articulate and implement a balanced visa policy that facilitates access for students, scholars, and other valued visitors.** Congress must return to U.S. consulates the discretion to grant waivers of personal appearance (interviews) based on risk analysis, subject to Department of State guidance and approval. In addition, the Department of State must refocus security clearances for scientists ("Mantis" reviews) on the most sensitive cases and eliminate them in cases where neither the applicant nor the applicant's country present concerns; eliminate repetitive processing of frequent visitors and those who temporarily leave the United States; and make better use of its overseas advising centers to facilitate visa reviews.
- **Give international scientists and advanced science students engaged in fundamental research access to U.S. research laboratories and associated equipment "that is comparable to that given to uncleared U.S. citizens and permanent residents," as recommended by the National Academies.**
- **Revive the U.S. intensive English industry by permitting short-term study (less than 90 days) on tourist visas, as most other countries do.**
- **Further reform the U.S. immigration system to provide the flexibility required by a globally mobile workforce.** Our immigration regulations and procedures are simply too rigid to provide streamlined, effective means of moving across borders. If we make it too difficult for people to come and study, work, or live in the United States, we will lose out in the global competition for scarce talent.

The American way of life owes its success and vitality to our historical ability to harness the best in knowledge and ideas, not only those that are home grown, but also those that come from outside our borders. We must sustain and reinvigorate this tradition to be competitive in today's global market for talent. Other countries are aggressively using international education to advance their economies and foreign policies. The United States has been remarkably complacent in this arena, slow to appreciate the impact of new educational markets across the globe and the ways that today's unprecedented movement of people across borders has fundamentally shifted the playing field in education, business, and scientific and technological discovery. To get back on track, America needs to do better. We renew our call for national leadership to elevate international educational exchange as a national priority and to establish a national strategy to ensure that the United States can attract the best in talent from around the globe.

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Ms. LOFGREN. Thank you very much, Mr. Pearson.

Dr. Yang, we would be delighted to hear from you.

STATEMENT OF YONGJIE YANG, LEGAL IMMIGRANT ASSOCIATION

Mr. YANG. Good afternoon, Madam Chairwoman and Congressman King and Members of the Committee.

I want to first thank the representative, Congresswoman Zoe Lofgren, for giving this opportunity for me to testify here, and I would like to share my personal experience on permanent residence application with this panel, and along with other people's testimony, I would like to draw attention for the America's need to change the laws regarding the highly skilled immigrants.

My name is Yongjie Yang. I was born in China and came here in 2000 when I was admitted to the neuroscience center genetics program in Iowa State University, and there I basically focused on the mechanisms for environmental toxin-induced nerve-cell degeneration, which is highly relevant to the Parkinson disease research. I was awarded Ph.D. degree in genetics and the neuroscience in 2005. That same year, my wife also was awarded the master degree from also Iowa State University.

Currently, I am now a research scientist in the department of neurology at Johns Hopkins University, and my current work also focuses on the pathogenic mechanisms in neurodegenerative diseases, including Alzheimer disease, Parkinson's disease, and amyotrophic lateral sclerosis, also known as Lou Gehrig's disease.

Our lab is one of the best leading labs in the research of this disease in the world. By better understanding the pathogenic mechanism for the disease, we hope to develop an effective neuroprotective strategy to cure or delay the progression of this disease. We hope to find the cure here.

On a personal note, I married my wife while we were both at Iowa State University, and my wife also works at Johns Hopkins University as a specialist in Parkinson's disease research. We have a U.S. citizen daughter who is about 4 year old, and we recently just bought a house in Ellicott City, Maryland. So we do plan to stay here long.

I currently have an H-1B visa status, which will expire next year. Although I have filed my immigrant visa petition in May, 2006, and got approved last year, February, but I have not received my green card yet because of the severe backlog of the employment-based visa numbers, and I do not know now because of the situation how long I have to wait before I can become the permanent resident and also become the U.S. citizen.

I would like to emphasize the three major obstacles that the immigration status poses on my situation as well as other people's.

The first one is because of the unavailability of the green card, I am not available to apply for many Federal grants from National Institute of Sciences or from National Institute of Health or National Science Foundation and from other Federal agencies, although my research is very promising to identify the direct target to cure or delay the ALS.

The second obstacle is because of the situation, not me, but some other people who share the similar background as me cannot work

for the Federal agencies, such as FDA, NIH, or other Federal agencies, although they possess specialized skill that is very much needed for these agencies.

The third obstacle, obviously, is the travel inconvenience. For example, last year, I had opportunity to go to London for international conference, which is very important in my field, but I could not go because if I go, I have to go back to China to re-apply for my H-1B stamp and then come back to Baltimore which will take months. So opportunity like this got wasted, and for my specific research, it is vital to have discussion to meet with colleagues to talk about the latest research progress, and that is also a problem to establish the long-term collaboration with your international colleagues.

So, as I understand it, the whole point of the employment-based immigration system is to keep the brightest, the best of the foreign minds, people in this land, in this land of opportunities. However, we cannot become the U.S. citizen before we got the green card, the permanent residence. Because of all these problems, we cannot travel freely, we cannot apply for some Federal grants, we cannot apply jobs for the Federal agencies, even though we are doing very cutting-edge researches and developing important technologies and which might create new job opportunities for the U.S.

The Legal Immigrant Association I represent was formed by scientists, engineers, and other professionals in the United States. Most of us received advanced degrees from United States academic institutions, and most of us are also from China, and we are doing the petitioning to let the Government know and the Congress know what we need to let our voice be heard.

So, on behalf of the LIA, I want to thank the Congress, the Subcommittee, for giving this opportunity, and I urge you to pass the legislation that would benefit eventually America by recognizing that putting highly skilled, highly educated people like us directly on the path to U.S. citizenship, and this will eventually benefit the best interests of the United States.

Thank you.

[The prepared statement of Mr. Yang follows:]

PREPARED STATEMENT OF YONGJIE YANG

Madam Chairwoman, Congressman King, Members of the Committee. Good morning. I am honored and grateful to share my experiences with this panel, and I hope that these will highlight America's need to change the laws regarding high-skilled immigrants.

My name is Yongjie Yang. I was born in China and have lived in the United States since 2000 when I entered the graduate program in neuroscience and genetics at Iowa State University. I was awarded a Ph.D. in 2005, the same year my wife got her Master's, also from Iowa State, which is known throughout the world as a leading institution in my field.

I am now a research scientist at Johns Hopkins University in Baltimore. I investigate pathogenic mechanisms in neurodegenerative diseases. That is, I am helping to advance human knowledge about how certain kinds of diseases develop, including Alzheimer's , Parkinson's, and ALS, which is also known as Lou Gehrig's disease. Our lab is one of the leading labs in the research of Lou Gehrig's disease in the world. All of these cruel and often fatal diseases have certain characteristics in common. Scientists all over the world work on understanding these common characteristics, noting similarities and differences, seeking to find effective therapies.

We all hope to find a cure.

On a personal note, I married my wife while we were both at Iowa State University. She is also a specialist in neurodegenerative diseases. We have a US citizen daughter and just bought a house in Ellicott City, Maryland.

I have H-1B status, which will expire next year. My immigrant visa petition was approved more than a year ago, in February 2007. That means that the U.S. government formally recognized that my skills are needed in this country—but there will not be an immigration visa available for me until at least 2009, if not much later. In fact, no one knows when I will finally be allowed to get on the path to US citizenship.

I need to emphasize the unnecessary obstacles my immigration status poses for the kind of vital research that I do. Let me explain—scientific research is collaborative. It thrives on free inquiry, debate and accountability. It doesn't matter whether the field is chemistry or physics or medical, like mine: we scientists need to work with and respond to each other's work to move forward. We need to talk and travel freely. And our work benefits humanity—we really can cure diseases now, provide effective therapies to relieve pain and suffering, in ways that weren't possible just a few years ago. And there is always something better, even more effective, just beyond the edge of our knowledge. We seek that.

As I understand it, the whole point of the employment-based immigration system is to turn highly-skilled foreigners into Americans, to keep talent in the land of opportunity. To do that, the system needs to keep us here. We cannot become US citizens until we have been legal permanent residents. We cannot travel freely; we cannot take many government jobs or receive many Federal grants, without the green card—even though we are often doing very promising research or developing cutting edge technologies which can have significant economic job-creating potential. It's discouraging.

Johns Hopkins wanted to pay for me to go to an international conference in London last year, the 8th European meeting to discuss glial cells in health and disease. These are a particular kind of cells in nervous systems vital to normal brain function. But in order to get the new visa that I would need to re-enter in H-1B status after traveling from Baltimore to Britain, on the way back I would have first had to travel to China and wait for my new visa to be issued. My work for a cutting edge American research facility regarding new discoveries in pathogenic mechanism's research would have sent me to Europe, but the visa process required that I re-enter from China. The paperwork alone would have taken so long, I didn't go.

The Legal Immigrant Association was formed by scientists, engineers and other professionals in the United States. Most of Us are from China. We are learning how to be Americans. My story is not unique. One member of LIA is the database manager for clinical trials seeking a cure for cancer. He has also been approved for permanent residency—yet he still has only temporary permission to work in the US. Do we really want him to go back to China? He wants to stay here. Another member, in Texas, is an entrepreneur unable to raise money for a nano-technology business he would like to start, because even though he is eligible for a green card, there are none available. Do we want him to go back to China, to create those jobs there, when he wants to stay and create them here?

LIA members with advanced degrees from American universities do cutting edge research in high-tech fields that can help cure diseases and solve problems, creating jobs for Americans in America—but the immigration system simply does not work in America's interest.

We know this from the inside.

On behalf of LIA, I want to thank the Subcommittee for inviting me to testify, and I urge you to pass legislation that can benefit America by recognizing that putting highly skilled, highly educated people like us directly on the path to US citizenship is in America's best interest.

Thank you.

Ms. LOFGREN. Thank you very much, Dr. Yang.

And we will end with Mr. Krikorian.

STATEMENT OF MARK KRIKORIAN, EXECUTIVE DIRECTOR, CENTER FOR IMMIGRATION STUDIES

Mr. KRIKORIAN. Thank you, Madam Chairwoman, for the opportunity to be the skunk at the garden party.

The public is assured that employment-based immigration categories in our law is Einstein immigration. Even many of those

concerned about the harmful impacts of low-skilled immigration often take for granted that higher skilled workers are needed.

But like everything else in immigration policy, skills-based immigration is not what it seems. Once we peel away the misconceptions, we find that the highly skilled workers in question often really are not that highly skilled, and the need for them is really more an employer need for cheaper labor.

First, a couple of numbers. Last year, 162,000 or so foreigners were granted legal permanent residence in the five employment-based categories. More than half of them were in the third category, EB-3, which is for skilled workers and professionals, though a majority of those were really for family members, and this is the category that is at the center of the discussion about the supposed need for high-skilled workers.

Research shows that, contrary to the claims of lobbyists, these workers are not necessarily the best and brightest. Dr. Norman Matloff, professor of computer science at UC-Davis, has found that there is no premium paid to foreign workers in science, technology, engineering, and mathematics whose employers are petitioning for green cards. In a market economy, if these foreign workers were indeed the outstanding talents we are told they are, they would be paid accordingly with wages far above the prevailing wage, and they are not.

What is more, Dr. Matloff has found that the large majority of these foreign workers are hired in the two lowest levels of ability, according to the Labor Department's classifications and thus unlikely to be contributing much to innovation. In fact, most of the large tech firms had only a handful of workers in the highest skill level category where the innovations are most likely to be found. As he summed up, "the vast majority of the foreign workers, including those at most major tech firms, are people of just ordinary talent doing ordinary work. They are not the innovators the industry lobbyists portray them to be,"

And we see a similar situation looking at H-1B visas that are the supposedly temporary visas that serve as a stepping stone to much of employment-based immigration, with software expert John Miano finding the overwhelming majority of them are not highly skilled for their occupations and are paid well below the median for comparable American workers.

So what should our skills-based immigration program look like? The first thing to keep in mind is that in today's America "skilled" does not mean what it did a century ago in the Ellis Island era. Then a high school graduate anywhere in the United States was unusual and a college graduate was rare indeed.

Today, with Americans having attained dramatically higher levels of education, any foreigner asking to be admitted based on exceptional skills would need to demonstrate even greater levels of accomplishment acquired abroad without subsidies from the American taxpayer, and every foreign student is subsidized to the tune of thousands of dollars by the taxpayer to justify admission.

And another very important point is that the admission of large numbers of technical workers or other skilled workers would have a perverse long-term effect by decoupling American business from the fate of the American educational system, since companies could

simply import their workers from abroad. Business is the country's single most important interest group, and if it is true that American students are not being adequately trained for the technical jobs of tomorrow, mass skilled immigration actually frees American firms from the need to pressure lawmakers and schools for whatever educational reforms might be needed to address the problem.

For instance, if hospitals and other firms had easy access to foreign nurses, for instance, then the incentive to build those new nursing skills and the other things that Congressman Conyers referred to is simply not there or is dramatically reduced.

There is really no reason any employer should be permitted to make an end-run around our flexible dynamic labor force of 150 million people unless the prospective immigrant in question has unique, remarkable abilities. One way to do that would be simply to give green cards to anybody who scores 140 on an English language IQ test. It certainly would be preferable than this H-1B business that Dr. Yang rightly criticized.

Another way to do that, maybe a more practical way, would be to use the current system but limit it to the genuinely best and brightest category, EB1-1 and EB1-2. Those are the aliens of extraordinary ability and outstanding professors and researchers.

Congress, in fact, in the legislative history of the immigration law specifically said, "that that visa is intended for the small percentage of individuals who have risen to the very top of their field of endeavor.". That is Einstein immigration, if you will, and those are the only foreign citizens who should be granted special immigration rights based on their skills.

Last year, we gave about 11,000 green cards to people in that category, including family members, and, you know, we could easily cap that at 15,000 or not have any cap at all if the standards were high enough because, after all, if we are talking about the immigration of geniuses, how many geniuses really are there in the world?

Thank you.

[The prepared statement of Mr. Krikorian follows:]

PREPARED STATEMENT OF MARK KRIKORIAN

"Einstein immigration."

This is what Americans imagine our employment-based immigration categories to be. Even many of those concerned about the harmful impacts of low-skilled immigration into a modern society still often take for granted that higher-skilled workers are beneficial—hence the title of this oversight hearing, "The Need for Green Cards for Highly Skilled Workers."

But like everything else in immigration policy, skills- and employment-based immigration is not what it seems. Once we peel away the misconceptions, we find that the "highly skilled" workers in question aren't really that highly skilled, and the "need" for them has little to do with the national interest and much to do with firms seeking cheaper and more compliant workers. In fact, the employment-based immigration category with the highest standards, the category that really does select for the best and brightest around the world, is never fully used, precisely because there are so few people in the world who have such extraordinary abilities.

First a few numbers. In FY 2007, 162,176 foreigners were granted legal permanent residence in the United States in the five employment-based categories. More than half of these—85,030—are in the third employment-based category, or EB-3, for skilled workers, professionals, and others, though a majority (48,275) of those green cards are actually for the spouses and children of such workers. It's this category that is at the center of the discussion about the "need" for "highly skilled" workers.

Research shows that, contrary to the claims of tech-industry lobbyists, these workers are not the best and brightest, the cream of the crop, the global elite of talent.

Dr. Norman Matloff, a professor of computer science at the University of California, Davis, recently calculated the premium paid to foreign workers in science, technology, engineering, and mathematics whose employers are petitioning for green cards. He did this by computing the ratio of their salaries to the prevailing wage for that occupation. In a market economy, if these foreign workers were indeed outstanding talents they would be paid accordingly, with wages far above the prevailing wage.

They're not. In his report ("H-1Bs: Still Not the Best and the Brightest," May 2008, http://www.cis.org/articles/2008/back508.html), Dr. Matloff called the ratio the "Talent Measure"—the higher the number, the greater the premium employers were paying for the worker's talents compared to the wage paid to other workers in the same field with comparable experience. Dr. Matloff found that the Talent Measure was at or near 1.0 for virtually all the professions and tech firms he studied—i.e., they are average workers in their fields. (By definition, the ratio cannot be lower than 1.0, since employers are barred law from paying below the prevailing wage.) He concluded that "the vast majority of the foreign workers—including those at most major tech firms—are people of just ordinary talent, doing ordinary work. They are not the innovators the industry lobbyists portray them to be."

What's more, Dr. Matloff found that the large majority of these foreign workers are hired at the two lowest levels of ability, according to the Labor Department's classification, and thus unlikely to be contributing much to innovation. In fact, most of the large tech firms had virtually no workers in the highest skill level, where innovators are most likely to be found, despite the fact that it is these very firms which argue that innovation depends on their ability to import foreign workers.

And looking at H-1B visas, the "temporary" visas that serve as a stepping-stone to employment-based immigration, paints the same picture. Software expert John Miano has looked at the employer applications for H-1B workers, and found that the overwhelming majority are not highly skilled for their occupations and are paid well below the median for comparable American workers. And he concluded in "Low Salaries for Low Skills: Wages and Skill Levels for H-1B Computer Workers," April 2007, http://www.cis.org/articles/2007/back407.html:

> The newly available data on skills suggest one of two things is happening, neither of which is consistent with the claims of employers pushing for the expansion of the program. Either the H-1B program is used primarily to import relatively less-skilled, entry-level, or trainee workers (and thus is of dubious value to the American economy), or employers are lying about these workers' skills in order to suppress their wages.

In other words, unless tech companies are engaged in a massive conspiracy to lie to the government, the current skilled immigration flow is not made up mainly of Einsteins, but rather ordinary workers for their fields.

So what should our skills-based immigration program look like? The first thing to keep in mind is that in today's America "skilled" doesn't mean what it did a century ago. Then, a high-school graduate was unusual, and a college graduate was rare indeed; in 1910, only 13 percent of American adults had graduated high school and fully one-quarter had no more than five years of schooling. At the same time, only 2.7 percent of Americans had college degrees. Today, with Americans having attainted dramatically higher levels of education, any foreigner asking to be admitted based on high skills would need to demonstrate even greater levels of accomplishment—acquired abroad, without subsidy from the American taxpayer—to justify admission.

Also, the admission of large numbers of technical workers would have a perverse long-term effect—it would decouple American business from the American educational system, since companies could simply import workers from abroad. Business is the single most important lobbying group at the federal, state, and local level, and if it's true that American students are not being adequately trained for the technical jobs of tomorrow, mass skilled immigration frees American firms from the need to pressure lawmakers and schools for whatever educational reforms might be needed to address this problem.

Thus there's no reason any employer should be permitted to make an end run around our vast continental labor force of more than 150 million people unless the prospective immigrant in question has unique, remarkable abilities, and would make an enormous contribution to the productive capacity of the nation.

Perhaps the simplest way to approach this would be to admit anyone who scores above 140 on an English-language IQ test. A more likely approach would be to keep part of the current system, but limit skilled immigration to a portion of the first employment-based category (EB-1)—specifically, "aliens of extraordinary ability" and outstanding professors and researchers. Congress intended this to be the real

cream-of-the-crop category, intended "for the small percentage of individuals who have risen to the very top of their field of endeavor."

(The EB-1 category also gives green cards to multinational executives or managers, people who are not necessarily, as anyone who reads the business pages knows, the best and the brightest.)

These two groups—"aliens of extraordinary ability" and outstanding professors and researchers - accounted for about 11,000 green cards last year (including spouses and children). This is the real Einstein immigration, and these are the only foreigners who should be granted permanent residence based on skills or employment. We could do without a numerical cap altogether, so long as standards for admission are set sufficiently high, but to prevent "bracket creep," as it were, it might be best to cap such immigration at 15,000 per year. After all, how many geniuses are there in the world?

Ms. LOFGREN. Thank you, Mr. Krikorian.

And thank you to all of the witnesses.

Now is the time when Members of the Committee can pose questions to our witnesses, and I will begin.

First, let me thank all of you for this testimony. I am mindful that Mr. King mentioned that we have smart people who are here from Iowa, we have smart people here from Santa Clara County, and I am interested in exploring the role that highly educated individuals in the STEM field play in job development here in the United States.

I talked to Mr. Lungren on the floor and he had a conflict because he thought we would be here just in the morning—hoping that I would explore the situation of Microsoft opening up a new research center in Vancouver and the whole issue of whether the individuals we are talking about, really Ph.D. and master levels, create new jobs as sort of team leaders and innovators or not.

Can anyone address that? Maybe Mr. Sweeney. I mean, you have experience—substantial experience—in the technology industry.

Mr. SWEENEY. I think that is a particularly important point. In the semiconductor industry where we have about 80,000 U.S. engineers, we apply for green cards for typically up to 4,000 per year, 5 percent of our population. These people, although small in number, are crucial to manufacturing process research.

These individuals create jobs by coming up with the next innovations of semiconductor technologies for products going into everything from cell phones, your Blackberry, to medical instrumentation, automotive instrumentation. In fact, it is well documented that semiconductor engineers' productivity gains for the United States was one of the greatest factors over the last decade.

Most of these scientists that we hire, these master's and Ph.D. scientists that we hire, are not the cheap labor that my colleague referred to just a few minutes ago. These are master's and Ph.D. students coming out of the best universities in the U.S. They are making north of $100,000 per year, and these are job-creating scientists.

I will give you one particular example of a scientist that we had in our Texas factory. He was an Indian national with a master's degree from the University of Texas-Arlington. He had been waiting for his green card for a period of about 6 years, and, of course, during that period, he is not permitted to be promoted or transferred.

Most recently, we had a need in a research center, a corporate research center, in Santa Clara to work on some new manufac-

turing processes that would create jobs in our factories in Maine and Texas. That individual selflessly gave up his place in the green card in the queue to come and work at our corporate headquarters, knowing that he would have to restart his whole permanent residency application.

But he was so important to our company that we endorsed that and we supported him because he is going to create more jobs for us in our factories.

Ms. LOFGREN. Mr. Colby, I wonder if I could ask you. As you pointed out, the IEEE and SIA have not always agreed, but you have come to an agreement on this. Can you tell me what brought you to this point?

Mr. COLBY. I think that what brings us to this point is that we do need top talent from overseas. At this point, it is difficult to get enough engineers in the United States at this point to satisfactorily staff our R&D labs. It is somewhat pitiful that that is the case, but that is the way it has fallen out, and that is the reason that a lot of these companies, including my own when I was involved with the startup, we just could not get people come in the door for a good salary, again over $100K—this was in 2001—and it is just difficult to get people to be thinking along the lines of being an engineer or something like that in the United States.

In my school, when I work in the volunteer school, the children will come up to me and say, "Why would you want to be an engineer?" and I do not really understand what has happened in the United States, but somehow we have to correct that. In this interim period, we definitely need talent from overseas so we can correct this situation.

Ms. LOFGREN. Can I ask maybe Mr. Pearson? You are at Stanford, my alma mater. Certainly, I know the Bechtel Center well. I really felt that if you have someone like Dr. Yang who is maybe going to find a cure to Alzheimer's—I hope so—it is not an alternative. You want to educate more American students, but you also do not want to send Dr. Yang someplace else. You know, we want to invent the stuff here. Do you see those in conflict, that if we could educate more American students, then you would want to send Dr. Yang home?

Mr. PEARSON. No, I do not. I do not see that in conflict. If you would look at the data, I think it has been from the late 1970's that about 40 percent of all master's and doctoral students in the STEM fields have been from overseas. I think you can do both. Graduate programs at Stanford and at many institutions—Iowa State I do not think would be any exception—tend to invite people to those programs who they consider are the best, and if they are from Napa Valley or China, I actually do not think they look at that.

We have had at Stanford in the last few years a number of people like Dr. Yang who have had similar struggles in waiting for green cards. We did a few years ago lose one person who moved back to Europe because of that. The others did work out but after many years of frustration and consultation with immigration attorneys.

Higher education also made the claim a number of years ago with the H-1 changes when we were not charged the training fee that, in fact, universities are trainers of young talent, and I would

suspect that Dr. Yang would be a classic example of somebody from overseas who would not only contribute to better understanding with diseases, but would also be a good teacher and a good educator.

Ms. LOFGREN. Thank you.

I can see that my time has expired.

So I am going to turn to Mr. Gutierrez for whatever questions that he may have.

Mr. GUTIERREZ. Thank you. Thank you, Chairwoman.

Fifty-one percent of the master's degree students are foreign nationals; 71 percent of Ph.D.s, electrical engineers. They are called urgent and critical and important to the industry, and I just have a comment on the testimony.

One could come away from this hearing and decide that if you are educated and you have a master's degree, you are welcome and the Congress will act to bring you and your family together and give you permanent residency, and if you want to remain here after you get your Ph.D. and your doctorate's degree, then stay. There is a way for you.

If you are a farm worker who comes here under our current system, the H-2A program, then you come only temporarily without family, with the only expectation that after a few years to return to your home and never stay in the United States of America.

I think that is part of the dilemma that I have with all of this, is should the Congress be acting for those who have Ph.D.s and master's degrees who come here on student visas to our country to become educated, to have their master's and probably have a relatively good future somewhere else, but who I would love to have them stay here.

For the record, I think we should fix the system. I think we should give the high-tech industry the innovators that they need and that they should be able to remain here. My point is not that, not that I am against you. I am for you.

Expand on it then to say how do we do that at the same time we have farm workers in pesticide-ridden fields earning low wages and say to them, "You are not really smart. You are not really very educated," but who I could state are just as critical and relevant to the innovation of that industry as the Ph.D. and master degree students are to the high-tech industry.

So, yes, let's work on this, but I think let's work on it on a holistic approach so that we can truly be proud from a historical point of view about what we do to reform our immigration system so that the most vulnerable among us, the most vulnerable immigrant among us, is not somehow stigmatized by actions of the Congress to say, "These will go forward."

I think there are people who are going to be against increasing because they do not care what kind of immigrant it is. You know, one immigrant is one immigrant too many in this country. And so we are going to have to deal with that, but I think the vast majority of the American people understand that immigration is good for our country, that we need the high-tech industry, that we need people in all kinds of industry where maybe there are not the relevant workers and the relevant skills as we work as Americans to create those opportunities for our own children.

So I guess that is just my basic point. If someone would like to comment, I would be happy to yield the time to any one of the participants.

Mr. SWEENEY. Congressman Gutierrez, thank you for your comments.

I would say that the Semiconductor Industry Association has been supportive generally of an overhaul of our entire immigration process because we see many flaws, but I would also say that our industry association is dealing with the day-to-day criticalities of the loss of job-creating talent in our country.

Every day that passes, we see more and more people who have been waiting in a permanent residency queue leaving our shores to go back to their own location where they are creating jobs to compete against us. This is just a travesty after we have invested so much effort in theses scientists, these highly talented individuals in our country.

I would say that one of the other things the semiconductor industry feels is that despite the need for a comprehensive view of this, we feel that there is an urgent requirement to address this high-skilled immigration problem immediately. I will say, however——

Mr. GUTIERREZ. That clock is on yellow.

I agree with you. I want to address it. Try to put what you just said in the context of someone who is an American citizen, and there are millions of American citizen children whose parents are on the threat of deportation today, whose parents have already been deported and have been separated from them.

Put yourself in a meat-packing plant in Pottsville, Iowa, where you have been indicted for working with false documentation, basically working undocumented, and the prosecutor asks for a 5-year sentence. When you put that in juxtaposition to your critical area, that is—I am just trying to stress to you, you know, we are all in this together. I want to help, but the most—how would I say it—vulnerable among us must be responded to, I think, if we are going to be of justice and of fairness.

I thank you, Mr. Sweeney, and I hope to work with you and all of you.

Ms. LOFGREN. Thank you, Mr. Gutierrez.

I now turn to Mr. King for his 5 minutes of questions.

Mr. KING. Thank you, Madam Chair.

I want to thank all the witnesses.

Just with regard to the Pottsville, Iowa, raids, there were 383 that were arrested for document fraud, and 300 pled guilty. They received 5-month sentences and 3 years of supervisory release. There were 83 that were released for humanitarian reasons because they had dependent children or one reason or another. So I do not accept the idea that ICE is insensitive to families and their needs.

I think, though, that what we are dealing with here is that we want bright people to come into the United States legally, and I have for a long time said my mantra on immigration has been and will remain we need to craft an immigration policy that is designed to enhance the economic, the cultural, and the social wellbeing of the United States of America. Call it selfish, if you will, but any nation would set that kind of a policy.

And so when we get to the point of what type of people does this country need, we are not in great disagreement, myself and Madam Chair from California, on the merit of highly skilled immigrations. But where I draw a line in a disagreement is that I do not believe we can have unlimited immigration. I do not think we can have unlimited immigration in any of our categories. I think a smart nation will set that policy and set a cap, an overall cap, and a cap in each of the visa categories.

At this point, I am not going to call it a partisan position because we have people on both sides of all these issues across the aisle, but it is predominantly over on my side of the aisle that there has to be an overall limit and a hard cap.

Now we legally brought in about 1.3 million last year, and I continually hear the complaints that the lines are long. That is because this is a good place to come, and we can have short lines if we broaden them out and bring more people in. If we would bring them in as fast as they had applied, we would not have any lines. We have them because there are more people that want to come to the United States than we actually process and get here under the laws that we have today.

So my view is this, that between 89 and 93 percent of the legal immigration in the United States is not based upon merit. It is based upon familial, family reunification policies, and so if we are only in real control of merit of 7 to 11 percent of our legal immigration, that is not much control to try to build a brain trust in the United States.

I appreciate especially it has to be Dr. Yang, if I read the memo correctly, instead of Mr. Yang, and the education that you received in the path that you are following. I have another concern, and that is if we continue to educate in the United States bright people and send them out of America, at some point, they have created the universities in the other countries and taken our brain trust and exported it. They will not need us to educate their young people anymore, they will be educating them there, and they will have surpassed our brain trust here.

So I am interested in keeping the brains here. I appreciate Mr. Krikorian's testimony, though, because I think it lends a balance to this. And we left you out of the brain trust compliments of the other four witnesses, so I want to add they come from other places as well, bright people, Mr. Krikorian.

So I think I will go first to Mr. Krikorian. The statement that you made that the wages are at 1.0, which is the statutory wage applied for those skills, if there is not deviation from that, then statistically the exceptions would simply be anomalies then, and I would like to ask you to expand upon that a little bit. If 1.0 is the pay scale, that is what the law says, you cannot pay less. If you pay more, that would be an indicator of highly skilled. The study says no.

Mr. KRIKORIAN. Yes. I mean, it would essentially be the premium above the prevailing wage that is being paid, and so it cannot be any less, and it is essentially, you know, a slight amount more. There are variations. The report on our Web site is variations between firms and industries, but, basically, for most firms, most industries, it is only the slightest bit above the floor, basically.

You know, a premium, as far as I would understand it, would be a significantly higher wage. I mean, I am just picking 20 percent out of the air, but something like that or more would be the kind of thing that you would pay to somebody who was an outstanding talent that you were attempting to draw in and pay, you know, accordingly.

Mr. KING. Let me also say also that I have had the privilege of seatmates flying back and forth of some of the young immigrant doctors that are doing research work for us, being paid about $50,000 a year and, it occurs to me, trapped in a green card or in a non-green card avenue, you are not in a position to negotiate for a higher wage.

The longer we can drag out your slow walk toward citizenship, Dr. Yang, the less we would be paying you for the work you are doing. Would that be a fair analysis?

Mr. YANG. Well——

Mr. KING. I am not saying that is the right thing. I just simply ask if it is the real thing.

Mr. YANG. You mean people like me get a lower payment?

Mr. KING. Yes.

Mr. YANG. Well, I think that is probably not the truth. My own case is, for example, my salary probably is the highest in our department because the salary basically goes by your merit, like your excellence. If you are good at it, then basically your department will like to pay more to keep you there to conduct the nice research.

Of course, it is relevant to how much money you can bring into the department, how many grants you can get for the department. So there are a lot of practical issues, too, but, basically, I think in my own case is that being the highest payment, not the lowest payment, I think.

Mr. KING. Just as a follow up on that, Dr. Yang, but where you are doing research now, if you got a better offer from, say, Stanford, are you free to travel and take that job? Are you limited?

Mr. YANG. No, I am somewhat limited. For example, I have to get letter Stanford to apply for a new H-1 for me, and after I receive that H-1, then I can transfer from Johns Hopkins to Stanford. But before I get that, I cannot really move to anywhere else.

Mr. KING. Okay. Then just to conclude that point, say if Mr. Krikorian were doing research right next to you and he is an American citizen and you are not, if he gets the call from Stanford and you are of equal skills, then isn't it a lot easier for Mr. Krikorian to negotiate for a higher salary and show up the next day and go to work for Stanford?

Mr. YANG. Well——

Mr. KING. You are worth more if you can travel. That is my point.

Mr. YANG. Right. Well, I think the point is basically for the employer to consider his skills. If, for example, Mr. Krikorian has the same skill as what I have, then probably go to him because he is a U.S. citizen, I think, but if I have a better skill, especially some special skills that I possess, but he does not, probably the employer will prefer me rather than him, I think.

In the scientific field, it is not purely 100 percent, but majority will base on the skill or your background, your expertise, not by, you know, who you are which comes——

Mr. KING. The red light indicates you are still a Cyclone fan. I yield back to the Chair.

Mr. YANG. Yes, I am.

Ms. LOFGREN. Thank you, Mr. King.

And I will just—we do have another panel—thank you for your testimony today.

I would just note that, you know, sometimes I think there is a false distinction made. Well, maybe that is an overstatement, but I look at Silicon Valley, and Jerry Yang grew up in East San Jose, but he was not admitted because of his Ph.D., because of his mind. He came as a child. Sergey Brin who founded Google—he was not admitted because of his education. He was admitted as a child. His parents were professors. Andy Grove, I mean, founded Intel. He was not admitted because of his education. He was a refugee.

So, you know, you never know where the talent is going to come. Certainly, somebody like you, Dr. Yang, we want to keep, and I am hopeful that we can move forward on some of these measures, the Lofgren-Sensenbrenner bill would recapture the visas that were meant to have been issued, the Lofgren-Goodlatte bill would eliminate the per-country limits on the employment side, and the Lofgren-Cannon bill which would address the STEM issue that we have talked about today.

I hope that we can move forward in a collegial and hopefully bipartisan way to do some variation of those bills in this Congress, and I know Mr. Gutierrez had another commitment, but he is absolutely right. We have to do something about the other elements of our flawed immigration system. What is happening, in my judgment, to individuals—I mean, when we have our salad, we have to thank the people who are and really living in a state of fear today—is not acceptable and has to be changed.

With that, I will thank you all and invite the next panel to come forward.

We have our second panel, and I will introduce them as they are coming forward so we are not interrupted by our votes.

I am pleased to welcome Dr. Jana Stonestreet. Dr. Stonestreet has been a registered nurse for 32 years and a nursing executive for over 17 years exclusively with an acute care hospital. She has worked as a health system chief nurse at the University of Texas Medical Branch at Galveston, Methodist Health Care System in San Antonio, and she is currently chief nursing executive for the Baptist Health System in San Antonio, Texas.

Dr. Stonestreet received a bachelor's degree in nursing from Kent Street University, a master's degree in nursing from the University of Texas, and her Ph.D. in nursing from Texas Women's University. She has been certified in critical care nursing and administration. She has published articles on the subjects of leadership, strategic planning, and retention of staff nurses and nurse managers.

Next, I would like to introduce Cheryl Peterson. Ms. Peterson is a senior policy fellow in the department of nursing practice and policy at the American Nurses Association. She is responsible for

policy development on issues relating to the nursing workforce and nursing workforce planning for the future.

Since coming to the ANA in 1990, Ms. Peterson has developed expertise in several areas, including issues related to labor, employment, trade and immigration, and policy development on the supply of and demand for nursing services. She has a bachelor's of science in nursing from the University of Cincinnati and a master's of science degree in nursing from Georgetown University.

And, finally, I would like to introduce Steve Francy, who is the executive director of RNs Working Together. RNs Working Together is a coalition of 10 AFL-CIO unions representing over 200,000 registered nurses and is America's largest organization of working registered nurses. Mr. Francy received his BS and his MS in political economy from the Colorado State University and his juris doctorate from the University of Denver.

As with our first panel, your complete written statements will be made part of our official record. We would ask that your oral testimony take about 5 minutes, and when the red light is on, it means your time is up.

So if we can go to you first, Ms. Stonestreet.

TESTIMONY OF JANA STONESTREET, CHIEF NURSING EXECUTIVE, BAPTIST HEALTH SYSTEM

Ms. STONESTREET. Thank you very much.

Madam Chair Lofgren and Committee Members, I thank you for the opportunity to appear today to discuss the nursing shortage, particularly as it relates to green cards and the recruitment of foreign-educated nurses.

My name is Jana Stonestreet. I am chief nursing executive for the Baptist Health Care System in San Antonio, Texas. Baptist is the leading provider of health care in San Antonio and South Texas, and I welcome the opportunity really to tell you our story.

Our hospital has more than 1,700 licensed beds and serves patients through five facilities, six emergency departments, and outpatient services. We also operate a school of health professions with a history of educating nurses and allied health professionals for more than 100 years.

As chief nursing executive for Baptist, I have responsibility for providing quality nursing care to all of the patients who come to us. This requires the recruitment and retention of an adequate number of qualified nurses.

Currently, our hospitals have 236 unfilled RN positions. We anticipate needing 136 more RNs in the next 12 months. This vacancy rate exists in spite of a 6.1 percent improvement in our nurse turnover for a rate of just under 20 percent for our nursing turnover.

The inability to fill RN positions has an adverse effect on our ability to care for patients, and it prevents us from expanding needed services to our community. It also forces our hospitals to divert EMS and at times cancel elective procedures.

The nursing shortage is at a critical level and is expected to get worse. The U.S. Department of Labor says that 1.2 million new and replacement nurses will be needed by 2016. The Department of

Health and Human Services expects the national nursing shortage to grow to more than one million nurses by 2020.

The causes of the nursing shortage are complex. They include a shortage of nurse educators, including lack of clinical sites and classrooms for educating our nurses, an aging workforce, and an increased demand for RNs both inside and outside of the hospital setting.

Baptist's overall strategy is to keep all RN pipelines flowing to our hospitals. We have a school of nursing that has graduated over 3,300 RNs since its inception in 1903, and since 2004, we have been able to triple our graduates to 126 in 2007.

The recruitment strategies we use run the spectrum of those reported in the literature and reported as best practices, including job fairs, direct mailings, community events, and continuing education programs for our nurses. We have developed and maintained a reputation for excellence in nursing practice, which is vital to recruitment.

The development of a positive work environment through implementation of shared governance enables staff nurses to truly share in decision making related to professional practice in the work environment. Our own staff have become our best recruiters.

To help us fill our patient needs, Baptist has recruited well-qualified foreign-educated nurses. Two-and-a-half years ago, we interviewed and selected 88 qualified nurses from the Philippines. Most have met the requirements for admission to the United States, including passage of the licensing exam and visa screen. A lack of green cards has resulted in at least a 1-year additional delay for 80 of these nurses who otherwise could be available to our patients today. But even with these 80 nurses, our hospitals would still have 150 vacancies.

Foreign graduates account for about 15 percent of new nurses that are licensed to practice in the United States each year. Any interruption of their availability has an immediate and detrimental effect on health care, making an already difficult situation worse. I understand that foreign nurses face delays of more than 2 years in gaining entry into this country.

As of July 1, their waiting time will grow even longer because no green cards will be available. Over the past 3 years, the delay has reached as high as 5 years. Without congressional action, this situation will only get worse.

Although significant nurse recruitment initiatives have been adopted at the local, regional, State, and national levels, they cannot overcome a shortage of this magnitude. America's hospitals must be able to take advantage of all available options to meet this critical need.

When local solutions fail to address the workforce challenges, hospitals must be able to have the option to recruit qualified foreign nurses to provide care to our patients. On this point, legislation recently introduced by Representative Robert Wexler, H.R. 5924, the Emergency Nurse Supply Relief Act, will help us address our immediate need for nurses. The bill would set aside 20,000 green cards per year for highly qualified foreign-educated nurses for 3 years. It would also help bolster our domestic supply by establishing a program to help U.S. nursing education programs.

Immigration is not the permanent solution to our nursing shortage, increased domestic supply is, but dramatically increasing our domestic training and retention takes time, and our patients need nurses now. So we must keep a reasonable supply of qualified immigrant nurses in the meantime.

As a person who has spent my entire professional life caring for patients, much of it in roles responsible for staffing, my goal has always been to give our patients the very best possible care, but we cannot accomplish that goal without nurses. Please help us meet our patients' needs and that of our communities by passing H.R. 5924.

Thank you.

[The prepared statement of Ms. Stonestreet follows:]

PREPARED STATEMENT OF JANA STONESTREET

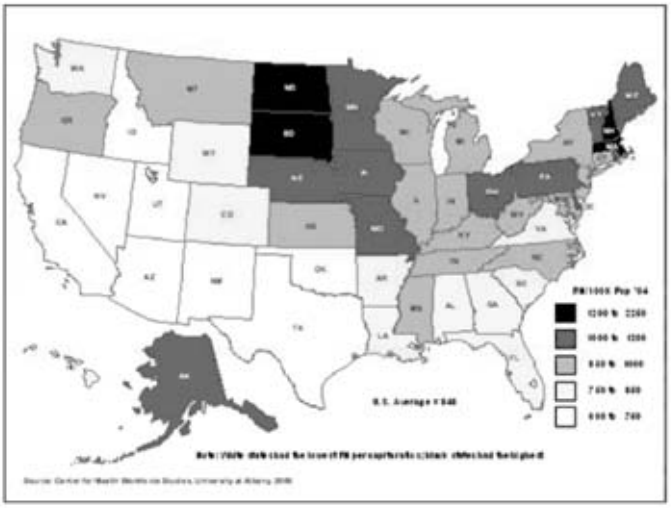
Testimony of
Jana Stonestreet, Ph.D., RN
Chief Nursing Executive, Baptist Health System,
Before the House Subcommittee on Immigration, Citizenship, Refugees, Border Security and International Law
June 12, 2008

Madam Chair and committee members: Thank you for the opportunity to appear today to discuss the nursing shortage, particularly as it pertains to the immigration of foreign-educated registered nurses (RNs).

I have been licensed as an RN since 1976 and have worked in nursing leadership positions within acute care hospitals at the unit, service, facility and system level for 27 years. My current position is Chief Nursing Executive for the Baptist Health System in San Antonio, Texas. Baptist Health System (BHS) is a leading provider of health care in San Antonio and South Texas. Staff in our five acute-care hospitals care for more patients hospitalized in San Antonio than any other hospital or health system, treating 34.9 percent of all hospitalized patients. Our hospital has 1,753 licensed beds and also serves patients through six emergency departments and extensive outpatient services. Baptist operates seven freestanding Imaging Centers and a School of Health Professions with a history of educating nurses and allied health professionals for more than 100 years.

San Antonio is a referral hub of hospital care to the 27-county South Central Texas Region, and BHS helps to direct patients with serious medical conditions or injuries to high-level care in San Antonio through its part ownership of San Antonio AirLIFE. Health-care needs in San Antonio and Bexar County continue to rise, with the population of Bexar County expected to increase by about 110,000 by 2012. More than 20,000 of those people will be age 65 and older, requiring a disproportionately higher level of health care. Quality of care is an essential commitment of BHS Baptist has been recognized as a Solucient 100 Top Hospitals®, and is currently engaged in a concerted effort to provide even higher levels of quality care to every patient who enters the system. BHS is a member of the Texas Hospital Association (THA) and the American Hospital Association (AHA).

As Chief Nurse Executive for BHS I have responsibility for providing quality nursing and patient care to all of the patients who come to us for care. This requires the recruitment and retention of an adequate number of qualified nurses.



Source: Center for Health Workforce Studies. (2006). *New York Registered Nursing Graduations, 1996-2004.* Rensselaer, NY: CHWS. http://chws.albany.edu

Currently our system hospitals have 236 unfilled RN positions, a 16% vacancy rate. Many of these vacancies are "temporarily filled" through voluntary overtime and contract and per diem agency staff. Additionally, with growth projections we anticipate needing 136 more RNs in the next 12 months. This vacancy rate exists in spite of a 6.1% improvement in year-over-year R.N. turnover, including one facility with a low annual turnover rate of 13.1%.

The inability to fill RN positions has a detrimental effect on the care we are able to provide to our patients, the confidence physicians and nurses have in our facilities and retention of staff. Bottom-line, the nursing shortage affects the quality, service and cost of care delivered. Sixty-five percent of U.S. registered nurses believe the shortage of nurses has caused a major problem in "early detection of complications" and 78% believe the nursing shortage has negatively affected the "quality of patient care".

The immediate actual cost of vacancies is more than the quality and service costs to patients served. The costs extend to the inability to expand needed services to the community, including the temporary inability to provide services resulting in diversion of emergency response units and at times cancelled elective cases.

The shortage of nurses is not a new phenomenon and has come and gone several times in my nursing career. This shortage period, which is now in its tenth year, is at a critical level and is expected to continue to worsen. According to the U.S. Department of Labor, 1.2 million new and replacement nurses will be needed by 2014. The Department of Health and Human Services

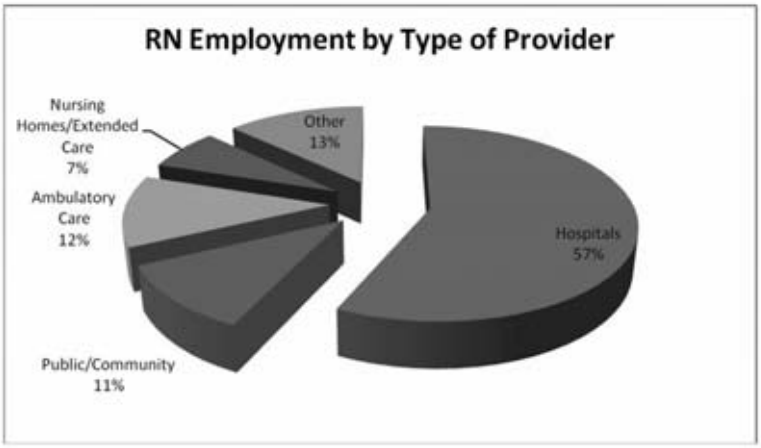
expects the nursing shortage to grow to over one million nurses by 2020, with the impact experienced by every state in the union.

There are several core reasons for the nursing shortage. These include the shortage of faculty and other educational resource limitations, such as clinical sites and classroom space; aging workforce; increased demand for RNs in and outside of hospitals; and the traditional hospital environment.

U.S. nursing schools turned away 40,285 qualified applicants from baccalaureate and graduate nursing programs in 2007 due to insufficient number of faculty, clinical sites, classroom space, clinical preceptors, and budget constraints. The most recent data from the National League for Nursing reflect that nearly 150,000 qualified applicants were turned away due to lack of faculty and shortage of clinical training sites. The faculty shortage is the principle bottleneck in the production of more nurses in the U.S, with a historical lack of competitive salaries being a consistently identified causative factor. The minimum educational requirement for a nursing educator is a Master of Science in Nursing (MSN). MSN level nurses are also in demand as nurse leaders, clinical nurse specialists, and nurse practitioners, with these positions having on average a higher salary band than teaching. Nationwide, nursing faculty earn on average significantly less than many staff nurses and nursing positions requiring similar credentials. In my state, an instructor in a baccalaureate nursing program earned an average annual salary that was $12,828 less than the average salary of a hospital nurse manager. (*Texas Department of State Health Services, Texas Center for Nursing Workforce Studies, September 2006)*

The aging RN workforce is another reason for the shortage and the main reason the shortage will escalate. According to the Department of Health and Human Services Division of Nursing's 2004 National Survey of Registered Nurses the average age of the RN population in March 2004 was 46.8 years of age, up from 45.2 in 2000. The percentage of nurses over the age of 50 and under the age of 30 has dramatically changed since 1980, with large increases and decreases respectively. Specifically, just over 41 percent of RNs were 50 years of age or older in 2004, a dramatic increase from 33 percent in 2000 and 25 percent in 1980. Only 8 percent of RNs were under the age of 30 in 2004, compared to 25 percent in 1980. Findings from the Nursing Management Aging Workforce Survey released in July 2006, in a survey of nurses, the majority being nurse managers, indicated 55% intended to retire within seven to fourteen years.

According to the latest projections from the U.S. Bureau of Labor Statistics published in the November 2007 Monthly Labor Review, more than one million new and replacement nurses will be needed by 2016. Government analysts project that more than 587,000 new nursing positions will be created through 2016 (23.5% increase), making nursing the nation's top profession in terms of projected job growth. In San Antonio alone, more than 900 new RN positions will be created in the next 12 months that do not exist today, with the opening of two new acute care hospitals and a new call center.



Source: The Registered Nurse Population, March 2004. USDHHS, Bureau of Health Professions, Division of Nursing, November 2005.

Although the nursing shortage is critical, it would be significantly worse without the tremendous efforts expended and outcomes achieved to date by individual hospital/healthcare systems, communities, and state and national organizations.

The strategies used by the BHS run the spectrum of those reported in the literature and identified as best practices. Our overall strategy is to have a comprehensive plan that keeps all RN "pipelines" flowing to our hospitals. A major component of this strategy has been the expansion of the Baptist Health System School of Health Professions (BHS-SHP). Presently it is one of only two diploma programs in Texas, and one of fifty-eight hospital-owned nursing schools in the United States. Currently the BHS-SHP is working with the Texas Higher Education Coordinating Board to achieve authority to confer the Associate of Applied Sciences degree. Since it's inception in 1903, the BHS-SHP has graduated over 3,300 Registered Nurses. In response to the continuing nursing shortage in late 2004, the BHS leadership increased funding and support to significantly increase the number of students admitted. The result has been an almost three-fold increase in graduates, from 46 in 2004 to 126 in 2007.

The Baptist Health System School of Health Professions has grown through the addition of faculty, including loaned clinical faculty from the hospital and significant expansion in physical space. The school expansion required a new physical plant, with the development of a 65,000 square foot facility with state of the art classrooms and labs. In addition, a $4 million dollar investment was made in the development of six distance learning classrooms and technical personnel to provide support.

Other recruitment tactics used include job fairs, direct mailings, use of internet sites, community events, and continuing education programs for nurses. Developing and maintaining a reputation for great nursing practice and a valuing of patient care is vital to effective recruitment. Our own staff are our best recruiters when this reputation exists. Additionally, to recognize and encourage "staff recruiters" or "unit ambassadors", an employee referral bonus is provided to staff when a referred applicant is hired.

Other initiatives within BHS include improving the retention of RNs. The development of a positive work environment through implementation of shared governance enables staff nurse leaders to truly share in decision-making related to professional practice and the work environment. This engagement has been shown to be essential to creating a "magnet" environment. Also, development opportunities through the clinical ladder, support for tuition reimbursement and national and specialty certification, have proved to be valuable nurse retention and development strategies.

Another tactic used by BHS has been the recruitment of foreign nurses. Two and one-half years ago we interviewed and selected 88 qualified nurses from the Philippines. At present time, most have all requirements including the NCLEX and Visa Screen, but are unable to enter the U.S. due to visa restrictions. Lack of visas has resulted in at least a 1 year delay of 80 nurses who could be available to BHS patients today.

It is estimated that 15% of new nurses being licensed in the U.S. each year are foreign graduates. Any interruption of their availability has an immediate and very detrimental effect on the healthcare industry, making an already difficult situation worse. As of July 1, there will again be no immigrant visas available for nurses who are already facing delays of more than two years this month. Without Congressional action, this situation will only get worse. Over the past three years we have seen the delay reach as high as five years.

Within greater San Antonio, a number of partners are working together to address these challenges, including the Greater San Antonio Hospital Council, the Greater San Antonio Chamber of Commerce, Alamo Workforce Solutions, healthcare institutions, community foundations and Bexar County. The Greater San Antonio Hospital Council, which represents more than 120 hospitals and healthcare related institutions throughout the 23 counties covering over 22,000 square miles of south central Texas, has served as a "neutral home" for normally competitive entities and has been a coalition builder in the community.

In 1991, Bexar County Judge Nelson Wolff called for a Healthcare Summit in his inauguration speech and The Greater San Antonio Hospital Council served as summit host. The Health Professional Resources Task Force was created to address the nursing shortage by addressing the shortage of nursing faculty. Hospital foundations, corporations, and philanthropic individuals raised $810,000 and funds were dispersed in 2003 –2004 to three San Antonio schools of nursing

for additional faculty to support increased student admissions. The grant required the addition of 110 nurse graduates. This goal was exceeded by 58%, with a total of 291 additional graduates by 2006 (with 30 graduates pending delayed graduations).

Continued efforts include the creation of the Nurse Executive Forum (NEF) by the Hospital Council in 2005. The NEF brought the Chief Nursing Officers of the public and private sector hospitals and the nursing leadership from academia, including the deans of all the area nursing schools together. The NEF's primary goal is to identify strategies to effectively address the priority issues facing nursing in the greater San Antonio area. This group developed a Robert Wood Johnson Grant proposal based on the success already achieved in increasing new graduate production.

At a state level, the Texas Nurses Association and the state legislature have actively addressed the shortage. The TNA has a two-fold goal of increasing the capacity of Texas professional nursing schools and improving the workplace. Funds have been designated and legislation has passed to support both of these goals (Texas Appropriations Table). TNA also developed the Texas Nurse Friendly program designed for rural and smaller hospitals to improve staff retention.

Texas Appropriations

	202-2003 Biennium Allocated	2004-2005 Biennium Allocated	2006-2007 Biennium Allocated	2008-2009 Biennium Appropriated	Total
Dramatic Enrollment Growth (Capacity Building)	$10.9 mil	$5.8 mil (includes $0.6 attributable to nursing growth at community colleges)			$16.7 mil
Professional Nursing Shortage Reduction Fund (Capacity Building)			$6.0 mil	$14.7 mil	$20.7 mil
Tobacco Settlement Fund (Pilots, Research, Special Projects -$4.5 mil/biennium)	$3.1mil	$4.9mil	$5.0mil	$4.1mil	$17.1mil
Student Financial Aid	$0.8mil	$0.5mil	$1.8mil	$1.8mil	$4.9mil
Total	**$14.8mil**	**$11.2mil**	**$12.8mil**	**$20.6mil**	**$59.4mil**

Although significant initiatives at the local, regional, state and national level have been implemented with considerable success, it is not enough to get through a shortage of this magnitude. We must continue on all fronts and become even more collaborative and innovative to minimize the critical situation that we are experiencing today in the majority of hospitals and health systems across the country. It is also imperative that all options available today to supply U.S. hospitals with additional nurses now be made available as soon as possible. This means

opening the opportunity for qualified foreign professional nurse graduates to enter the U.S. to work.

On this point, legislation recently introduced by Rep. Robert Wexler, H.R. 5924, the Emergency Nurse Supply Relief Act, will help us address our immediate need for nurses. The bill would set aside 20,000 visas per year for highly-qualified foreign-educated nurses for 3 years. It would also bolster our domestic supply by establishing a program to help U.S. nursing programs prepare more nurse faculty. Immigration is not the permanent solution to our nursing shortage—increased domestic supply is. But dramatically increasing our domestic training and retention will take time and our patients need nurses right now. So we must keep a reasonable supply of qualified immigrant nurses coming in the mean time.

Madam Chair and members of the committee, as hospital leaders, we strive to provide our patients with the best care possible. But we cannot accomplish that goal without registered nurses. I hope you will help us meet our patient's needs, and that of our communities by working for passage of H.R. 5924. Thank you.

Ms. LOFGREN. Thank you, Dr. Stonestreet.

Ms. Peterson?

STATEMENT OF CHERYL A. PETERSON, SENIOR POLICY FELLOW, AMERICAN NURSES ASSOCIATION

Ms. PETERSON. Good afternoon, Madam Chair and Members of the Subcommittee.

I am Cheryl Peterson, a registered nurse and senior policy fellow at the American Nurses Association.

ANA appreciates the opportunity to testify on behalf of the global profession of nursing and the Nation's 2.9 million registered nurses. ANA is also the U.S. member of the International Council of Nurses. ICN and its 128 member countries work together to ensure quality nursing care for all and the presence worldwide of a respected nursing profession and a competent and satisfied nursing workforce.

I have been a registered nurse for 28 years. During my 13 years in health care policy development, I have witnessed many attempts to address domestic nursing workforce problems through immigration. ANA's position on this issue has not wavered. ANA supports the mobility of individual nurses. However, we oppose the use of immigration to solve America's nursing workforce shortages.

It is inappropriate to look overseas for nursing workforce relief when the real problem is the fact that Congress does not provide sufficient funding for schools of nursing, the health care industry has failed to maintain a work environment that retains experienced nurses, and the Government has not engaged in active planning to build a sustainable health workforce. The recruitment of educated nurses from developing countries deprives their home countries of highly skilled health care practitioners upon whose knowledge and talent their citizens heavily rely.

We are now almost 10 years into another critical nursing shortage that is impacting all aspects of health care delivery. Yet, in 2007, baccalaureate nursing programs turned away over 36,000 qualified applicants, and in 2005-2006, over 88,000 qualified applicants were turned away from all types of basic nursing education programs.

Retention of the current nursing workforce also continues to be problematic. Consistently high turnover rates and dissatisfaction with the current work environment complicate efforts to address the nursing shortage. A study reported in the Journal of Nursing Administration showed that 43 percent of experienced nurses score abnormally high on indicators of job burnout. A 2007 PricewaterhouseCooper's study reported that 27 percent of new nursing graduates leave their first job within a year.

ANA conducted an online survey on working conditions, attracting more than 10,000 respondents. Fifty percent of the respondents are considering leaving their current job, and a quarter are considering leaving the profession altogether. More than 50 percent stated that they believe that the quality of nursing care on their unit had declined over the last year and that more than 48 percent would not feel confident having a loved one receive care where they work.

It is disheartening to be here contemplating large-scale nurse immigration yet again when we have failed to implement longstanding recommendations to address the shortage. In addition, there are serious ethical questions about recruiting nurses from other countries when there is a worldwide shortage of nurses.

According to the Leonard Davis Institute of Health Economics, from 1990 top 2000, nurse recruitment shifted toward low-income countries and those with a low supply of nurses. The very real problem caused by mass immigration of nurses out of developing countries prompted the World Health Organization to adopt a resolution urging member states to address the negative impact of migration on health systems.

Similarly, the ICN stated that it condemns the practice of recruiting nurses to countries where authorities have failed to implement sound human resource planning and to seriously address problems which cause nurses to leave the profession and discourage them from returning to nursing.

The time has come to invest in long-term solutions. I urge you to fully fund domestic nursing education. Due to lack of funding, last year, the Federal Government was forced to turn away more than 93 percent of applicants to a loan repayment program and more than 96 percent of the applicants to a scholarship program. ANA also urges you to support the Nurse Education, Expansion, and Development Act. This legislation would provide flexible funding to schools of nursing to help them increase their capacity to educate new nurses.

Finally, we challenge our partners in the health services community to work with us to improve nurse retention. This shortage will not be truly resolved until the work environment supports experienced nurses.

In the end, ANA is concerned that the influx of foreign-educated nurses only serves to further delay debate and action on serious nursing education and workplace issues. We look forward to working with you and our industry partners to create an environment conducive to high-quality nursing care. ANA appreciates the Subcommittee's discussions on this issue, and we plan to continue to work with you to seek a solution that meets the needs of America's citizens, nurses, and our global colleagues.

Thank you.

[The prepared statement of Ms. Peterson follows:]

PREPARED STATEMENT OF CHERYL A. PETERSON

Good morning Madam Chair and Members of the Subcommittee, I am Cheryl Peterson, MSN, RN, Senior Policy Fellow at the American Nurses Association. I am pleased to be here today representing the American Nurses Association (ANA) in recognition of your efforts to address the employment-based immigration system for highly-skilled professionals including registered nurses (RNs). ANA is the only full-service association representing the interest of the nation's RNs through its 54 constituent member nurse associations.

I have been a registered nurse for 28 years. During my 13 years of work in health care policy, I have been witness to many attempts to address domestic nursing workforce problems through immigration. ANA's position on this issue has not wavered. ANA supports the ability of individual nurses to choose to practice in the location of their choice. However, we oppose the use of immigration to solve America's nursing workforce shortages.

ANA maintains that it is inappropriate to look overseas for nursing workforce relief when the real problem is the fact that Congress does not provide sufficient fund-

ing for domestic schools of nursing, the U.S. health care industry has failed to maintain a work environment that retains experienced U.S. nurses in patient care, and the U.S. government does not engage in active health workforce planning to build a sustainable nursing and health professions workforce for the future. Over-reliance on foreign-educated nurses by the health care industry serves only to postpone efforts to address the needs of nursing students and the U.S. nursing workforce. In addition, there are serious ethical questions about recruiting nurses from other countries when there is a world-wide shortage of nurses. The recruitment of educated nurses from developing nations deprives their home countries of highly-skilled health care practitioners upon whose knowledge and talents their citizens heavily rely.

DOMESTIC NURSE RECRUITMENT

As this Subcommittee is aware, we are now almost ten years into a critical nursing shortage that is impacting all aspects of healthcare delivery. With an estimated 2.9 million RNs, the profession is the largest workforce component of our healthcare system. Nurses provide care in virtually all locations in which health services are delivered. Thus, the worsening shortage poses a serious challenge to the domestic healthcare system.

While this shortage is alarming, it is heartening that many Americans are interested in pursuing nursing as a career. The American Association of Colleges of Nursing reports that enrollment in entry-level baccalaureate nursing programs increased by 5.4 percent from 2006 to 2007. The National League for Nursing's 2005–2006 survey of all pre-licensure nursing education programs (associate degree, baccalaureate degree, and diploma programs) documented a 5 percent rise in admissions across all RN programs. More good news is that once students enroll in nursing programs, they tend to remain there and graduate to enter the workforce. Overall graduation rates grew by 8.5 percent during 2005–06; at the same time, nine out of every 10 bachelor's nursing degree candidates enrolled in 2005 remained enrolled or completed her/his nursing degree by 2006, compared with a retention rate of 72 percent at four-year undergraduate institutions nationwide.

The bad news is that even this growth in capacity is failing to meet the demand for domestic nurse education. According to the American Association of Colleges of Nursing, schools of nursing turned away 36,400 qualified applicants to baccalaureate programs in academic year 2007. The National League for Nursing's (NLN) 2005–2006 study revealed that 88,000 qualified applications were denied due to lack of capacity in all three types of basic nursing programs. Baccalaureate degree programs turned away 20 percent of applications, while associate degree programs turned away 32.7 percent. In fact, one to two year waiting lists to get into domestic nursing programs are now commonplace.

NURSE RETENTION

Consistently high turnover rates and dissatisfaction with the current work environment also continue to complicate efforts to address the nursing shortage. Experienced nurses are reporting high levels of burn out, turnover among new nurses is very high, and large numbers of nurses are leaving the profession outright. A study reported in last month's Journal of Nursing Administration shows that 43 percent of experienced nurses score abnormally high on indicators of job burnout. In a study released last year, the Price Waterhouse Cooper's Health Research Institute reported that 27 percent of new nursing graduates leave their first jobs within a year. These studies are consistent with many others taken over the last two decades.

In an effort to ascertain the extent and cause of nurse discontent, ANA recently conducted an on-line survey of nurses across the nation. More than 10,000 nurses took the opportunity to express their opinions about their working conditions. Results from the survey, revealed on May 21, show that more than 50 percent of nurses are considering leaving their current job, and that nearly a quarter of all nurses are considering leaving the profession altogether. Sixty percent reported that they knew nurses on their unit who had left due to concerns about working conditions. It should concern all of us that the majority of nurses involved in this survey believe that the poor working conditions in their facility are harming patient care. More than 50 percent of the respondents stated that they believe that the quality of nursing care on their unit had declined over the last year, and that more than 48 percent would not feel confident having someone close to them receive care in the facility where they work.

Years of discontent with the work environment have led us to a situation in which an alarming number of our experienced RNs have chosen to leave the profession. The 2004 National Sample Survey of Registered Nurses conducted by the Depart-

ment of Health and Human Services shows that a large number of nurses (488,000 nurses—nearly 17 percent of the nurse workforce) who have active licenses are no longer working in nursing. Numerically speaking, if these nurses were to re-enter the workforce today, the current shortage would be solved.

IMMIGRATION

The ANA opposes the use of immigration as a means to address the growing nursing shortage. As you are well aware, immigration is the standard "answer" proposed by employers who have difficulty attracting domestic nurses to work in their facilities. It is disheartening to be here contemplating large-scale nurse immigration yet again, when we have been down this road many times before without success.

In addition to the impact of nurse immigration on the domestic workforce, there are serious ethical questions about recruiting nurses from other countries when there is a world-wide shortage of nurses. According to the Leonard Davis Institute of Health Economics, the source countries for foreign-educated nurses shifted toward low-income countries and those with a low supply of nurses during the period of 1990 to 2000. This same report notes that almost 20% of the world's nursing population is in the United States, including half of all English speaking professional nurses.

While the Philippine government's policy is to export professional labor, including nurses, the Philippine health care system has been strained by the rapid exodus of nurses. Philippine experts estimated that about 120,000 nurses had left the Philippines last year alone. An estimated 50,000 RNs left the Philippines between 2000 and 2005, but nursing schools managed to produce only 33,370 nurses over the same period. Press reports state that the resulting "brain drain" has pushed the Philippine health care system to the brink.

The very real problems caused by mass emigration of nurses out of the developing world have caused international health associations to condemn current practices. In 2004, concerns about the impact of health care worker migration on countries origin prompted the World Health Organization to adopt a resolution urging member states to develop strategies to mitigate the adverse effects of migration of health personnel and minimize its negative impact on health systems. These same concerns prompted the International Council of Nurses to revisit the issue of nurse migration. Last year the ICN issued a position statement reaffirming the fact that the "ICN condemns the practice of recruiting nurses to countries where authorities have failed to implement sound human resource planning and to seriously address problems which cause nurses to leave the profession and discourage them from returning to nursing."

In addition, ANA is concerned that immigrant nurses are too often exploited because employers know that fears of retaliation will keep them from speaking up. For instance, last year 27 nurses from the Philippines walked off their jobs in New York citing years of maltreatment by their employers and misrepresentations by their recruiters. Their complaints are very similar to those that I have heard made by literally hundreds of other immigrants. They were promised that they would be employed as RNs, but were made to work as lesser-paid staff; they were made to work unreasonable hours; they were not paid overtime. In the end, when these nurses walked off the job due to concerns about the quality of care being provided in their facilities, their employers brought criminal suits against them. While the majority of these suits have been dismissed, the legal entanglements that these nurses were forced to endure stands as a stark warning to other immigrants.

ANA is pleased to have been part of the AcademyHealth's efforts to develop a *Voluntary Code of Ethical Conduct for the Recruitment of Foreign Educated Nurses to the United States.* This *Code* reflects a significant consensus building process that has resulted in a document that can guide efforts to reduce potential harms and increase benefits experienced by the U.S., the foreign-educated nurse, and potentially by the source countries. Stakeholders at the table included professional associations, hospital facilities, international recruiters, unions and academia. The next step is to establish a monitoring mechanism by which signatory companies and organizations can be held accountable.

REAL SOLUTIONS

ANA concurs with our colleagues at the American Hospital Association that the nursing shortage is a real concern that requires urgent action. We also agree that nurse immigration is a short-term "band aide" approach to fixing the problem. ANA urges you to look beyond this eternal band aide and to support real long-term solutions to the ongoing nursing shortage.

To begin with, I urge you to make a real investment in domestic nursing education. It is extremely short-sited to look overseas for RNs when more than 80,000 qualified students are being turned away from domestic programs every year. There are two programs already up and running at the Department of Health and Human Services that could make a real difference today. The Nurse Education Loan Repayment Program repays up to 85 percent of outstanding student loans for RNs who work full-time in a health care facility deemed to have a critical shortage of nurses. Similarly, the Nursing Scholarship Program covers the educational costs of nursing students who agree to work in shortage facilities. Both of these programs hold the promise of recruiting students into the nursing profession and to directing domestic nurses into facilities with the greatest need. Unfortunately, no real investment has been made in these programs. In fact, last year, the Health Resources and Services Administration was forced to turn away more than 93 percent of the applicants to the loan repayment program and more than 96 percent of the applicants to the scholarship program. In real numbers, this means that more than 9,000 RNs interested in working is the very facilities that are here today requesting an increase in nurse immigration were turned away from these programs due to lack of funding. Clearly, it is time to invest in nursing students

In addition, ANA urges you to support the Nurse Education, Expansion, and Development (NEED) Act of 2007 (S. 446, H.R. 772). This legislation would provide flexible funding to domestic schools of nursing to help them increase their capacity to educate new nurses. Funding would be contingent on these schools increasing capacity, and on graduating students capable of passing the licensure exam required to become registered nurses. The NEED programs are necessary to allow our schools to address the myriad of problems they encounter when attempting to expand enrollment, the most notable of these currently being the nursing faculty shortage.

In addition to supporting domestic nurse education and recruitment, we challenge our partners in the hospital community to work with us to improve nurse retention. This shortage will not be truly solved until the environment of care supports the maintenance of experienced nurses in patient care. As long as nurses are driven away by hostile work environments, as long as the new nurse turn-over rate hovers around 25 percent per year, we will not have adequately addressed the root causes of this shortage.

I am happy to report that nurses, in conjunction with health care facilities, are finding the means to combat this dissatisfaction. Real positive changes that make real results are underway in the nation's Magnet Hospitals. The American Nurses Credentialing Center's Magnet Recognition Program(r) identifies health care facilities that have fostered an environment that attracts and retains competent nurses through its respect for the values, art, and science of nursing. The Magnet designation was first granted to a group of hospitals that were able to successfully recruit and retain professional nurses during a national nursing shortage in the early 1980's. To this day, Magnet facilities outperform their peers in recruiting and retaining nurses. In fact, the average length of employment among registered nurses on staff is roughly twice that of non-Magnet hospitals. Most importantly, patients in Magnet facilities experience better outcomes and higher satisfaction with their health care.

Currently, 289 health-care organizations in 45 states have been designated as Magnet facilities; including 14 facilities and systems in California, and six in Iowa. The Magnet Recognition Program(r) has been cited in reports by the American Hospital Association, the Joint Commission and others as an example of an innovative program that enhances recruitment and retention of nurses at the facility level. I believe that is it irresponsible for any facility to seek to solve their nurse staffing problems through immigration before they have done the internal work needed to improve retention. We know what works, and it mainly boils down to respect for the knowledge and needs of staff nurses, and an investment in quality patient care

CONCLUSION

In the end, ANA is concerned that the influx of foreign-educated nurses only serves to further delay debate and action on the serious workplace issues that continue to drive American nurses away from the profession. In the 1980's a Presidential task force called to investigate the last major nursing shortage developed a list of recommendations. These 16 recommendations, released in December, 1988, are still very relevant today—they include issues such as the need to adopt innovative nurse staffing patterns, the need to collect better data about the economic contribution that nurses make to employing organizations, the need for nurse participation in the governance and administration of health care facilities, and the need for increased scholarships and loan repayment programs for nursing students. Perhaps

if these recommendations were implemented we would not be here today. Certainly, we will be here in the future if they are ignored.

ANA maintains the current nursing shortage will remain and likely worsen if the glaring needs of schools of nursing are ignored and if challenges in the workplace are not immediately addressed. Registered nurses, hospital administrators, other health care providers, health system planners, and consumers must come together in a meaningful way to create a system that supports quality patient care and all health care providers. We must begin by improving the environment for nursing.

ANA looks forward to working with you and our industry partners to make the current health care environment conducive to high quality nursing care. We appreciate the ongoing work and continued negotiations that the Subcommittee is engaged in on this issue and hope to continue to work with you to seek a solution that meets the needs of America's nursing workforce and our global colleagues. The resulting stable nursing workforce will support better health care for all Americans.

Ms. LOFGREN. Thank you very much.

And our last witness is Mr. Francy.

STATEMENT OF STEVEN FRANCY, EXECUTIVE DIRECTOR, RNS WORKING TOGETHER, AFL-CIO

Mr. FRANCY. Yes. My name is Steve Francy. I am the executive director for RNs Working Together.

I want to thank you for the opportunity to present our views on the issue of whether the expansion of work visas to foreign nurses is an appropriate solution to the nursing shortage that our Nation faces.

First, a little bit about the organization RNs Working Together: We are a coalition of 10 AFL-CIO unions who represent over 200,000 working registered nurses. Each affiliate union has two of its nurse leaders who serve on my leadership committee. We are a democratic organization and operate by building mutual agreement among our Members regarding issues that concern registered nurses.

First of all, the continuing shortage of registered nurses is a problem that virtually everyone acknowledges. If you were to walk the halls of American hospitals and ask a nurse what is the number one problem she or he faced, they would probably say, "We do not have enough staff to deliver quality care."

While we appreciate everyone's efforts in trying to address this crisis, we do not believe that relying upon thousands of additional foreign nurses to deliver health care in the United States is an appropriate solution to the nursing shortage.

There are many factors that contribute to the nursing shortage. Two of the major factors that I would like to draw your attention to today is our inability to train enough Americans to become registered nurses and the difficult working conditions that nurses face. To resolve these and other factors that contribute to the nursing shortage will require a focused, comprehensive strategy.

First, we do not have the capacity to train enough nurses. Last year alone, approximately 150,000 qualified applicants for nursing schools were turned away because there were not enough seats available. Our inability to train these applicants is due to a shortage of RN faculty who are often paid less than practicing nurses.

Congress needs to pass legislation that will increase the capacity of nursing schools to train nurses. This would include incentives to attract nurse faculty as well as to actively recruit and provide fi-

nancial assistance to those Americans who would like to become nurses.

In addition, it is estimated there are about 2.9 million licensed RNs in the United States, but only 2.4 million are providing care to patients. Hundreds of thousands of licensed nurses have left the bedside in favor of the many other job options now available from outpatient care, computer jobs, pharmaceutical jobs, or leaving nursing entirely.

A key reason for this migration away from the bedside is that chronic understaffing and unmanageable workloads are a day-to-day reality. While increasing the number of visas may seem like an easy solution, in reality, it does nothing to retain nurses that are already trained, skilled professionals.

Stopping this leakage of nurses will require Congress to direct their attention to this issue and pass legislation that will directly improve working conditions. Examples include prohibiting mandatory overtime, passing minimum staffing ratios, and safe patient care to reduce injuries of nurses.

We are confident by taking these steps, many of those nurses who have left the profession and are now thinking about leaving the profession will come back and care for America's sick.

As you know, America is not the only country facing a nursing shortage. Indeed, there is a worldwide shortage of registered nurses. Thus, the use of immigration policies that allegedly benefit one country in the short run can be devastating to a developing country's ability to deliver health care to their citizens.

Some countries have even a greater shortage of nurses, and any loss of the nurses they have trained can undermine their government's efforts to staff their own hospitals and clinics. In 1 year alone, Ghana lost more than 500 nurses, more than double the number of its new graduates. In the Philippines, not only are they losing more nurses than graduate from nursing school, now even doctors—some doctors—are training to become nurses in the hope that they will find employment in the United States. In Zimbabwe, it has been estimated that the nurse-to-patient ratio is one nurse to every 700 patients.

Obviously, nurses in developing countries will find coming to America for a job very attractive because of the increase in their income, but expanding nurse visas simply outsources nurse training to developing countries and robs them of many of the nurses they have trained.

In sum, taking nurses from poor countries will have a small short-run impact on the U. S. while increasing the short-and long-term misery of poor and developing countries.

Again, I understand that increasing the number of work visas seems like an easy solution. However, we believe that developing a comprehensive long-term strategy that addresses the factors contributing to the nurse shortage in our country, such as increasing our capacity to educate new nurses and improving working conditions, is a more productive use of time and resources and is the only real way in which America can solve this long-term issue.

Thank you for this opportunity to provide testimony regarding this important and difficult issue.

[The prepared statement of Mr. Francy follows:]

PREPARED STATEMENT OF STEVEN FRANCY

My name is Steven Francy and I am the Executive Director of RNs Working Together, AFL-CIO. I want to thank you for the opportunity to present our views on the issue of whether the expansion of work visas to foreign nurses is an appropriate solution to the nursing shortage that our nation faces.

First a little about the organization RNs Working Together (RNWT). We are a coalition of ten AFL-CIO unions who represent over 200,000 working registered nurses. Each affiliate union has 2 of its nurse leaders who serve on the RNs Working Together Leadership Committee. One of their responsibilities is to set policy for our organization. We are a democratic organization and operate by building mutual agreement among our members regarding issues that concern working registered nurses.

First of all, the continuing shortage of Registered Nurses is a problem that virtually everyone acknowledges. If you were to walk the halls of America's hospitals and asked a nurse what is the number one problem that they face, they would probably say, "we do not have enough staff to deliver quality care." While we appreciate everyone's efforts in trying to address this crisis, we do not believe that relying upon thousands of additional foreign nurses to deliver health care in the United States is an appropriate solution to the nursing shortage.

There are many factors that contribute the current nursing shortage. Two of the major factors that I would like to draw your attention to today is our inability to train enough Americans to become registered nurses and the difficult working conditions that working nurses face. To resolve these, and other factors that contribute to the nursing shortage, will require a focused, comprehensive strategy.

First, we do not have the capacity to train enough nurses. Last year alone, approximately one hundred and fifty thousand (150,000) qualified applicants for nursing schools were turned away because there were not enough seats available. Our inability to train these applicants is due to a shortage of RN faculty who are often paid less than practicing nurses. Congress needs to pass legislation that will increase the capacity of nursing schools to train nurses. This would include incentives to attract nurse faculty as well as to actively recruit and provide financial assistance to those Americans who would like to become nurses.

In addition, it is estimated that there are 2.9 million licensed RNs in the U.S., but only 2.4 million are providing care to patients. Hundreds of thousands of licensed nurses have left the bed-side in favor of the many other job options now available from outpatient jobs, computer jobs, quality management, doctor's offices, pharmaceutical jobs or leaving nursing entirely. A key reason for this migration away from the bedside is that chronic understaffing and unmanageable workloads are a day-to-day reality. While increasing the number of visas may seem like an easy solution, in reality it does nothing to retain nurses that are already trained, skilled professionals. Stopping this leakage of nurses will require Congress to direct their attention to this issue and pass legislation that will directly improve working conditions. Examples include prohibiting mandatory overtime and requiring hospitals to meet safe minimum staffing levels. We are confident that by taking these steps, those nurses who have left the profession and those that are now thinking about leaving the profession will come back and care for America's sick.

As you know, America is not the only country facing a nurse shortage. Indeed there is a worldwide shortage of registered nurses. Thus the use of immigration policies that allegedly benefit one country in the short-run can be devastating to a developing country's ability to deliver health care to their citizens. Some countries have an even greater shortage of nurses and any loss of the nurses they have trained can undermine their government's efforts to staff their own hospitals and clinics. In one year alone, Ghana lost more than 500 nurses—more than double the number of its new nurse graduates. In the Philippines, not only are they losing more nurses than graduate from nursing schools, now even doctors are training to become nurses in the hopes that they will find employment in the U.S. In Zimbabwe, it has been estimated that the nurse to patient ratio is 1 nurse to 700 patients. Obviously, nurses in developing countries will find coming to America for a job very attractive, as they will experience a great increase in their incomes. But expanding nurse visas simply out sources nurse training to developing countries and robs them of many of the nurses they have trained. In sum, taking nurses from poor countries will have a small short-run impact on the U. S. while increasing the short and long-term misery of poor, developing countries.

Again, I understand that increasing the number of work visas seems like an easy solution. However, we believe that developing a comprehensive long-term strategy that directly addresses the factors contributing to the nurse shortage in our country, such as increasing our capacity to educate new nurses and improving working condi-

tions, is a more productive use of time and resources and is the only real way in which America can solve this long-term issue.

Thank you again for the opportunity to provide testimony regarding this important and difficult issue. I can answer any question you can have.

RNs Working Together is a coalition of the following 10 AFL-CIO unions representing over 200,000 registered nurses. We are America's largest organization of working registered nurses.

American Federation of Government Employees
American Federation of State, County and Municipal Employees
American Federation of Teachers (AFT-Health Care)
California Nurses Association/National Nurse Organizing Committee
Communications Workers of America
JNESO/International Union of Operating Engineers
Office and Professional Employees International Union
United American Nurses
International Union, United Autoworkers
United Steelworkers

Ms. LOFGREN. Thank you very much, Mr. Francy.

And thanks to all three of these witnesses.

Now is the time when we can address our questions to the witnesses.

Mr. King, would you like to go first?

Mr. KING. I would be happy to. Thank you, Madam Chair.

And I especially also want to thank the witnesses for your testimony.

It is a subject matter that has been consistently presented to me in the district that I represent that goes back many years. We have had a nursing shortage in my district, and, in fact, I remember bonuses being paid to recruit our nurses to go to other locations in the country, none of which you represent.

But I remember sitting in a room at Crawford County Memorial Hospital where all of our children were born, and I had a conversation there with nine nurses. Of the nine nurses, seven of them, their husbands farmed, and they were tied to the land, and they could not accept the higher offer to go elsewhere in the country, the $10,000 bonus at that time, which probably is higher now.

So I am watching market forces push on this as well as the education. I was really quite struck by the number of nursing students that were qualified applicants that were turned away.

I think I saw 150,000 was the number that, Ms. Stonestreet, you testified to, and I am curious as to how many RNs there are in the United States that are qualified and what percentage that works out to be, one out of every how many are nurses?

Ms. STONESTREET. I am not sure that I understand the question. There are, in fact, different numbers that are reported in the literature about how many qualified applicants are available to enter into nursing school, everything from 88,000 I have seen, 150,000, but the bottom line is I think part of the difference in the numbers and how they calculate that has to do with whether they are counting applications or applicants and how many are offered positions.

But the fact of the matter is we do not have a good long-term strategy and a short-term strategy in place right now to be able to get those——

Mr. KING. Excuse me. I have information in front of me that is from the National Sample Survey of Registered Nurses that says

that there are 2.9 million registered nurses nationwide. Does that seem to be in the——

Ms. STONESTREET. Yes.

Mr. KING. [continuing]. Context you were talking about? And we are expecting a shortage of about a million. Now I have to express a little bit of skepticism because in my public life every profession that I know of is going to have a shortage of employees. It just demographically works out that way. And what do we do about it?

I ask you to take advantage of the opportunity to respond to Mr. Francy's testimony that says, "Let's put an American solution in place." And why would we not ramp up our schools? Why wouldn't we find a way to bring in all the qualified applicants? Why wouldn't we pay an additional $12,000 or $14,000 or $18,000 more to nurses that are currently practicing that would be excellent teachers instead? Why would we not tool that up and say, "We can fix this."

Ms. STONESTREET. Well, I think there are several different—and I appreciate the comments that were made here—components.

Number one, there are a number of individuals who are registered nurses in our country today who are not practicing in hospitals, who are not practicing within the direct-care environment. I mean, this room might actually be a microcosm of our country, the experience that I have seen, individuals who go on and they have been trained as an RN, they practice, but——

Mr. KING. But does his testimony contribute to the solution? Do you disagree with Mr. Francy's testimony?

Ms. STONESTREET. I do not disagree with the long-term solution. What I do disagree with is that we need a solution today. If there is one thing that keeps me awake at night, it is that we do not have enough nurses to take care of our patients today.

Mr. KING. Let me just speculate, and then I will turn this back to Mr. Francy.

Thank you.

I look at these numbers, and they range from 40,000 to 150,000 applicants that are turned way, because of a shortage of teachers. It seems to be the number one reason. And facilities are another, and I have watched education facilities in my district be ramped up because we need to do this, and I certainly support that and encourage it.

But if it is 150,000 applicants that are turned away and we are going to have a cumulative shortfall of a million by the year 2020 or about 2008, so it is less than 100,000 a year that would be the accumulated shortfall, would there be a reason you could think of, Mr. Francy, why we could not meet that need here without having to go out and short other nations for the nurses that they are training?

Mr. FRANCY. I think that we could in addition to those that apply now. If we were to actively recruit in the United States and provide financial aid to Americans that were interested in entering the nursing profession, I do not see any reason why we could not.

Mr. KING. Now I would just follow up and say as a representative of AFL-CIO and the nurses, you and I agree that this country needs a tighter labor supply because the wages and benefits that are paid to our workers, both skilled and unskilled, are directly

proportional to the supply and demand. Would you respond to that, Mr. Francy?

Mr. FRANCY. Again, you know, I think that there are certainly issues with suppressing wages with foreign workers in some cases, in organizing drives, for example, union organizer drives. Foreign workers are more vulnerable to threats that if they support the union that they would be deported from the United States.

Ms. LOFGREN. The gentleman's time has expired. I know we have votes very soon.

Mr. KING. I thank you, Madam Chair, and I am happy to yield back.

Ms. LOFGREN. Thank you.

I would turn now to Mr. Gutierrez for any questions he may have.

Mr. GUTIERREZ. Thank you. Thank you very much.

Well, thank you for your testimony here this afternoon.

I have an experience in Chicago where two of the largest hospital organizations—one is being attempted to be organized by AFSCME and the other one by SEIU. Do you have any information on how that is going and how that might affect the nursing shortage or ability of nurses?

Mr. FRANCY. Well, I know that AFSCME Council 31 is organizing the Resurrection system in Chicago, and it has been a very difficult and long, drawn-out fight. Other than that, I do not have any specific information.

Mr. GUTIERREZ. Because when I met with AFSCME and I met with SEIU, what it is trying to organize, interestingly enough, are religious institutions. There is one under the United Church of Christ, and the other, under the Catholic Church, and it seemed to me that many of the conversations that we had were around nurses and the hours that nurses were required to work.

Mr. FRANCY. Yes. If you ask nurses what is their number one problem, they will tell you that it is short staffing. In fact, in one nurse survey, 83 percent of RNs responding to the survey said that increasing staffing levels would be very successful in retaining and recruiting new nurses. So it is a huge problem.

Mr. GUTIERREZ. You know, as someone who advocates comprehensive immigration reform, I am very, very mindful to all of the witnesses about, as we move forward, making sure that where we build the jobs, it is really jobs that Americans do not want.

I think American citizens should be afforded, those that are born here should be afforded the absolute opportunity to a job anywhere in the United States, regardless. I think that should be paramount to any comprehensive immigration reform program that we have, and so the testimony today really is important because we do not want to deny American workers or we do not want to create a situation which denies American workers the opportunity.

These are not low-skilled, low-wage job opportunities, which we many times speak to the need as our economy creates hundreds of thousands of low-skilled, low-wage jobs in different demographic areas throughout the United States that we may need.

And so I thank the witnesses because we have their full written testimony which we read and then listened to your 5 minutes on the clock which is a great summary of what you have to say.

And lastly, as we look at this, I would say let's deal with it in a comprehensive manner because it is not only nurses. There are other sectors of our economy where we want to make sure that we supply needed labor, and I think we will need that labor.

I mean, as a baby boomer myself—I know all three of you are too young—I keep thinking about, you know, over 40 percent of our workers in the next 20 years, the youngest one will be 65 years of age. That is something that we have not encountered in our economy before.

I just read in *The Washington Post* we are living longer, and they said that Black and Hispanic males are, I mean, tightening with White males and women. That is a good thing. That is a good thing. That means that there is more parity in health care and in economics and the people that are living about the same time.

But, you know, it is like 81 years for women and 78 years for men, and when you consider the drain that we are going to have, I think we really need to have a global view of how we address this within our workforce. You know, another 10 years, I will be 64. Another 15 years, I will be 70.

I want to make sure there is a nurse there. I want to make sure that there are qualified nurses there. I want to make sure that our health care system can be responsive not only to me, but literally the tens of millions of others like me who will be retiring and in much need.

So, if you think the problem is bad today, give this another 15 years. It is going to be critical to our economy.

So I thank you all for your testimony.

Ms. LOFGREN. Thank you, Mr. Gutierrez.

I just want to say a couple of things and ask a couple of questions.

First, let me say Mr. King is from Iowa. There have been a number of emergencies, as we are well aware in Iowa, and he had to go take a call from Secretary Chertoff, and I know that everyone will understand that is his first obligation, obviously, today.

Before I was in Congress, I was on the board of supervisors of Santa Clara County, and one of our obligations there was to run the county hospital, and I chaired the hospital committee for 12 years, and every week we would oversee, and I learned a lot about the whole health care business in that.

One of the things we had a very tough time was recruiting nurses, and it got to the point where we were in high school helping to pay for kids to go to nursing school. We were also recruiting in Ireland. I mean, we did everything.

And the other thing we did was we raised salaries substantially. I mean, when I first was elected, the salaries, I thought, were pretty low. They ended up being quite high, actually, which is good because it is a hard job and it takes a great education, and so that was a good development.

But what is interesting is that as those salaries rose, nobody raised the salaries of the professors, and so now we have a shortage situation. I am a co-sponsor of Lois Capp's bill to increase—a strategy because I know people in the technology world, for example, who decided they would rather be a nurse. I mean, these are people with science backgrounds that they have been turned away

from nursing schools because there are not enough slots. So, clearly, I think everybody agrees we have to remedy that.

You know, I have been one who has supported mandatory staffing ratios. I think that is part of the picture of having high nurse satisfaction, but, in order to do that, you have to have enough nurses. So the question is which comes first, how do we implement this strategy that I think there probably is not that much disagreement really in terms of where we want to end up, how do we get there.

Ms. Peterson, at the end of the day, do you support or does the ANA support or oppose the bill that Wexler, Sensenbrenner, and Feeney have introduced? Can you address that?

Ms. PETERSON. Yes, I can.

At this point, we will not oppose it. There are elements of it that we think are useful, but I want to just step back for one moment because one thing I said in my testimony is we are 10 years into this nursing shortage. Ten years we have been talking about education, 10 years we have been talking about faculty, and yet the reality for nursing education funding is it has not gone up all that dramatically.

So to sit here and talk about Congressman Wexler's bill that has elements of it that are good—we appreciate the NEED Act being included, we appreciate that there is some understanding of the need for the circulation of workers to be able to go back home and be able to come back in, but the fundamental problem that you have already spoken to still has not been addressed, and we have been talking about this for 10 years.

So, at this point, we will not oppose it. We recognize it as a short-term strategy. We do not like it. We believe that we need to be addressing the fundamental problem, and that is funding for nursing education, and, quite frankly, if we get to the end of the time period of Mr. Wexler's bill, at the end of that period, and we still do not have any data and we still have not seen see an increase in nursing education funding and we still have not seen some of these other workforce issues being addressed, we will not be supporting it again.

Ms. LOFGREN. I understand. That is very helpful information.

Maybe, Dr. Stonestreet, I do not know if you know this or not, but isn't there at least a funding mechanism in the Wexler bill?

Ms. STONESTREET. Yes.

Ms. LOFGREN. I mean, I am not saying it is going to cover all of it, but it will help.

Ms. STONESTREET. Right, but there is $1,500 per nurse who is employed. The facilities that would bring them over would pay that, which would go into the funding for education.

Ms. LOFGREN. But I think, you know, if you look at the city—for example, San Jose State in my district has a school of nursing, but they have had to turn people away because they do not have enough professors, and there is really a capacity problem there, even though they have great applicants. I do not blame the university, they do not have the money, and we have to do something about this as a nationwide strategy, it seems to me, and I understand the frustration.

I was in the minority in the House for 12 years, and I have been in the majority now for 16 months, and so we have not achieved everything we wanted to achieve in that timeframe, but the speaker has put a tremendous emphasis on funding for education and also science funding, and I personally know that she believes that is such a compelling need for our country that I have actually renewed confidence that some of these items that have been languishing are going to be dealt with because I do not think the three of you are really disagreeing when it comes to that, and that is the interesting thing.

You know, my light is on, and that would not be fair to Ms. Jackson Lee, who I will now recognize for 5 minutes.

Ms. JACKSON LEE. Thank you very much, Madam Chair.

And let me suggest to the witnesses and those who were on the first panel that when you see Members rushing in—of course, the Chairwoman has indicated, the challenges for the Ranking Member—some of us have been on other Committees. But we rush in for the very reason that we are very much in sync with the Chairwoman's continued march toward a solution.

We on this side of the aisle have always wanted or wished for, if you will, a comprehensive approach to immigration reform that would in essence broadly speak to many of the issues that we are having a hearing on, but you will also find very sympathetic advocates for the funding of more education for engineers, for nurses.

And, of course, our colleague Congressman Gutierrez mentioned that a nursing crisis is a health crisis, it is a life and death crisis, and so I apparently came in on the very appropriate panel.

But please know that I want to put on the record that we have been meticulously meeting over these 16 months and building the building blocks to say that we have to have a comprehensive immigration reform package. I would also acknowledge, because many of us have legislative initiatives that track sort of the same theme, to solve this problem both in terms of benefits, in terms of the need for additional expertise that immigrants bring—and also border security—the legislation that I have, the comprehensive Save America Act, also responds to the question of American workers, hiring American workers, training American workers, using resources that you would have to invest in underemployed areas and areas where we need more training.

So let me acknowledge where we are trying to go and accept also the burden of being in the minority and the lack of focus on nursing education, since the witnesses are addressing that question. I have purview of A&M School of Nursing in my congressional area, and it is climbing the mountain of excellence. It is getting better and better and better and better every year, but the resources are limited.

So let me acknowledge that the immigration aspect is only a piece of the puzzle, that we certainly need to look at the domestic supply of nurses, and we have to acknowledge that Congress has not done enough and find a way to reach an immediate balance. So I would ask the question that you may have had already in your testimony, if each of you would answer it as to tell me the length and breadth of the nursing shortage, number one. Number two, a quick infusion of dollars into nursing education, how quick would

we get relief, and that means we are talking about drawing upon the domestic base.

And then what is the enhanced value of an immigration component through visas that would allow these skilled workers to come in? We had an electrical engineer. I have heard from African-Americans who indicate they are presently available. No one recruits them. So what would be the immediate benefit of an immigration fix, if you will, that would bring nurses in from around the world?

I know some of you are taking notes, and I appreciate it, and apologize. I want to add a component of transitional training, what that means is language and techniques maybe, comfort level. You could include that in your answers.

And I will start first with who seems to be writing the fastest, Jana Stonestreet.

Ms. STONESTREET. I appreciate that. Thank you.

I think I will address first of all the immediate benefit. In our hospital system—and I can speak for it, but within San Antonio, within the Baptist Health Care System—we have presently 236 nursing positions that are open. So an immediate benefit that we would get for this short-term relief with the immigrant nurses would be to be able to fill those positions.

We have had 88 nurses that we actually interviewed 2½ years ago. Eighty of those still, even though they are qualified and ready to come, are not able to come yet because of the immigration restrictions that are present.

Ms. JACKSON LEE. The caps?

Ms. STONESTREET. The caps that are present today. So the immediate solution would be to help us.

And I think one of the things that we have talked about is the work environment, and which comes first, the chicken or the egg, how does it really come. Well, if you do not have enough nurses today, then the environment is not as positive because we are working shorter, it is more stressful, and so on. So, if we can get over kind of a little bit of the hump and be able to get enough nurses to be able to work and to fill the positions, it can help us carry through and create that better environment that we all really work for.

You know, one of the things that is somewhat offensive as a nurse executive within a hospital system—and that has been my role since 1991 within three hospital systems—is the implication that we are not trying to create the best environment, not trying to create an environment that is positive. I will tell you we are doing, you know, cartwheels trying to be able to make that happen.

Ms. LOFGREN. Dr. Stonestreet, the time has expired, and if you could just very quickly sum up, and then if we could get quick answers from the other two witnesses because we have run out of time.

Ms. STONESTREET. Absolutely. I think those are the key points that I wanted to be able to make and, hopefully, have then answered your question.

Ms. JACKSON LEE. Thank you.

Ms. Peterson?

Ms. PETERSON. Thank you very much.

I guess I will talk to the piece of the transitional challenges that you added at the end. ANA just completed a series of three regional conferences where we were trying to look at what types of programs existed in hospitals and also within the recruiters who recruit and bring the nurses here. When we bring them here, how do we be sure that they are successful?

We know that one of the biggest barriers is really language and communication, and so the programs that we saw—some were in Chicago. There is one at Johns Hopkins, also University of Pennsylvania—they have made an effort to try and really, one, assist the foreign-educated nurse when she or he comes to the U.S. in terms of just understanding how do I get a bank account, where am I going to live, how do I get from here to there, and then they have courses that are related to understanding language and lingo, and in particular medical terminology here in the U.S.

The other critical piece to that is helping them to understand the culture, meaning the relationship between physicians and nurses and other health care providers, and also understanding that relationship from the perspective of patients, family, and community.

Ms. LOFGREN. Thank you.

Mr. Francy, you are doing cleanup, and then we will adjourn.

Mr. FRANCY. Thank you. One of the things that was kind of implied was kind of the bang for the buck, and we have talked a lot about education, and if you considered this bottle of pouring more water into that, that would be increasing the supply of education which would fill it up.

Ms. JACKSON LEE. Which is crucial.

Mr. FRANCY. Crucial. But there is a hole in this bottle and there is leakage. Water is coming out. Those are nurses that are leaving the profession. They are leaving the profession because of staffing levels, of injury rates—it is a very high injury profession—and mandatory overtime, et cetera, and so the point I am trying to make is that education is fundamentally a part of this solution, but also addressing the working conditions of registered nurses has to be part of the solution to plug this hole so, while we are pouring in, it is filling up and not just, you know, going up and down.

Ms. JACKSON LEE. I thank the witnesses.

Madam Chair, I yield back to you by reemphasizing my continued point of the importance of recruiting American workers for these positions as we look to emergency relief, and taking Mr. Francy's point of working conditions so that no matter who you are, African-Americans or Anglos, Asians, or Hispanics who are Americans here, who could be workers need to be included in this package as we look to solve this problem through the immigration process, and, of course, the final point is continue to push for comprehensive immigration reform.

I yield back.

Ms. LOFGREN. Thank you.

The gentlelady yields back.

We will now be adjourning our hearing. I want to thank each of you as well as the first panel.

A lot of people do not realize that the witnesses are volunteers, really coming to help the Congress try and get it right when we

look at legislation. We do appreciate your service for your country as witnesses.

We will keep the record open for 5 days. If we have additional questions for any of you or the first panel, we will forward them and, if that occurs, we would request that you answer them as promptly as possible.

Once again, than you very much, and this hearing is adjourned.

[Whereupon, at 2:08 p.m., the Subcommittee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE ZOE LOFGREN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, AND CHAIRWOMAN, SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, REFUGEES, BORDER SECURITY, AND INTERNATIONAL LAW

I would like to welcome the Subcommittee Members, our witnesses, and members of the public to the Subcommittee's hearing to explore the need for green cards for highly educated employees in the fields of science, technology, engineering and mathematics (STEM), as well as nursing.

There is a recognized shortage of U.S. employees available to fill jobs requiring the highest educational levels, particularly in the fields of STEM.

According to the National Foundation for American Policy:

> Major U.S. technology companies today average more than 470 U.S.-based job openings for skilled positions, while defense companies have more than 1,265 each, indicating U.S. businesses continue to experience difficulty in filling positions in the United States for skilled labor of all types.

At the same time that our country is experiencing a shortage in U.S. employees at the highest educational levels, employers from Europe, Australia, Canada, and even China and India, are increasingly attracting to their shores the highly educated, high achieving scientists, engineers, mathematicians and researchers that are the foundation for innovation. In 2000, for example, 75% of the world's engineers were hired by U.S. employers—just six years later, in 2006, that percentage dropped to 63%.

Today, more than half of the graduates from U.S. universities in masters and Ph.D. programs in science and engineering are foreign-born. To ensure that America remains the greatest source of innovation in the world, we must not only educate more U.S. students in STEM, we must retain the best and brightest innovators among them so that they can work with us, rather than compete against us in other countries.

In addition, at the same time that nursing schools are unable to produce enough nurses to meet existing health care needs around the country, the demand for nurses is projected to continue increasing at high rates as the Baby Boom Generation hits retirement and birth rates plunge. Currently, 12.4% of the U.S. population is age 65 and older; that percentage is projected to increase to 16.3% in 2020 and 20.0% in 2030.

I look forward to hearing from our witnesses today on how the current immigration system has failed to respond effectively to these economic and health care needs, and what might be done to address the situation in the near and long term.

PREPARED STATEMENT OF THE HONORABLE JOHN CONYERS, JR., A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN, AND CHAIRMAN, COMMITTEE ON THE JUDICIARY

Today we are looking at long-term legal immigration solutions for graduates in the fields of science, technology, engineering and mathematics—known as "STEM"—as well as in the field of nursing.

We have bipartisan legislation before the Committee on both issues. I would like to thank Zoe Lofgren, Robert Wexler, and Jim Sensenbrenner for their leadership on H.R. 6039 and H.R. 5924.

Before I comment on these bills, I would like to point out that on the issues before us today, labor and business interests have worked together in good faith to develop pragmatic solutions. Nursing groups and the SEIU have worked with the hospitals to come up with a good first step in dealing with the nursing shortage. The engineers and the high-tech companies have come to a common ground to get the best foreign talent while preventing worker exploitation. It's my hope we can make the same commitment to break the immigration logjam.

Turning first to Ms. Lofgren's bill, H.R. 6039, this measure will help the United States to keep the best and brightest STEM graduate students.

Think for the moment of a foreign student at University of Michigan or Wayne State who does an internship with one of the car companies. The reality is that the major automakers are working round the clock on critical research and development of fuel-cell technologies, electric vehicle technologies, and other fuel-efficient alternatives. And, the reality is that many of the researchers on the cutting edge are foreign students.

With soaring oil prices clobbering hard-working Americans all across the country, this work is absolutely essential to our national interests. The research that these engineers perform, and the products they develop, will keep American manufacturers competitive, and will keep and create jobs in Michigan and in the United States.

But when they graduate, they can't move into a permanent job offer from the American company, but have to leave the country and go wait in the horribly backlogged line for employment visas. So if the American automaker or supplier wants to continue their research, the engineer will at best have to work for a foreign subsidiary in Canada, India, or Mexico. More likely, we will lose them altogether It makes no sense to make these graduates leave.

The current system is bad for the graduates, bad for the companies, and hurts the communities that they had been part of while in school. By focusing on the green card track, these workers are at less risk of exploitation than in a temporary guestworker program. As a result, the Institute of Electrical and Electronics Engineers is in favor of this approach.

The notion that high-skilled immigrants are an economic engine is proved every day, as we see other countries—such as Singapore and Switzerland—try to snatch the best and brightest foreign students away from us.

As with all immigrants, these graduates aren't just an economic engine, but a cultural engine as well. Their continued presence will have a long-term benefit to effect on our communities and our Nation. This is not just a theory, or rhetoric. Just look at Senator Barack Obama, the son of a graduate student at University of Hawaii, or Governor Bobby Jindal, whose mother came to Louisiana State University as a graduate student in physics.

Secondly, on the nursing front, we will hear from our experts about H.R. 5924, Mr. Wexler's bipartisan bill with Mr. Sensenbrenner as an original cosponsor. This bill seeks to address the nursing shortage. As many citizens in our Nation are aging, there is a rising shortage of nurses, home care workers, and physical therapists, especially in rural areas.

Congressmen Wexler and Sensenbrenner have worked with the Hospital Administrators, the Nurses Association, and the SEIU to address this shortage with a blend of immigrant and domestic capacity-building.

The idea is an elegant one. First, the bill exempts up to 20,000 nurses and therapists per year from the notoriously backlogged employment-based visa caps.

Then, using funds from fees paid by the hospitals who benefit from employing those foreign nurses, the bill will fund grants to U.S. nursing schools, which in recent years have had to turn away more than 100,000 applicants a year because they lacked sufficient faculty and laboratories.

This is a good start to deal with this pressing problem. We will need to do more. I hope to soon introduce legislation to provide even more funding for the schools and nursing scholarships, and to get more PhD-level instructors and experienced nurses into faculty positions.

We also need to have a concerted effort for retention. Nursing is a hard job, and the average tenure is from 4 to 7 years because of the stress and the current health care system. When we get to universal health care—*as we must*—it will be the nurses who are on the front lines.

These two proposals are *exactly* the kind of cooperation and pragmatism that we should encourage and support. I applaud these bills' sponsors for taking these productive steps, and I thank the witnesses for appearing before us today.

PREPARED STATEMENT OF THE HONORABLE SHEILA JACKSON LEE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS, AND MEMBER, SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP, REFUGEES, BORDER SECURITY, AND INTERNATIONAL LAW

Thank you, Chairwoman Lofgren, and ranking member King, for convening today's very important oversight hearing on green cards for highly skilled workers. This hearing will explore the need for green cards for highly educated employees in the fields of science, technology, engineering and mathematics (STEM), and nursing. I welcome the testimony of today's witnesses.

Increasingly, the evidence continues to show that immigration is good for the economy, jobs, and a critical part of our nation's prosperity. There is a recognized shortage of U.S. employees available to fill jobs requiring the highest educational levels, particularly in the fields of science, technology, engineering, and mathematics.

Major U.S. technology companies today average more than 470 U.S.-based job openings for skilled positions, while defense companies have more than 1,265 each, indicating U.S. business continue to experience difficulty in filling positions in the United States for skilled labor of all types. A number of companies have thousands of skilled positions available, with this level of openings persisting for a year or more. This is part of longer-term trend that threatens to harm America's economic future, with U.S. companies lacking access to the skilled professionals needed to grow and innovate inside the United States.

Foreign-based educated nurses play a vital role in relieving shortages in many U.S. hospitals. However, the entry of most foreign nurses is blocked or delayed for years due to a failure to increase immigration quotas. Despite nursing shortages, U.S. immigration policy actually treats nurses worse than other professions. Medical literature shows that the nursing shortages contribute to death and illness for U.S. patients. Foreign-educated nurses are only one solution, research and interviews find relief from strict immigration quotas would help patients, hospitals, and the nation as a whole.

The need for nurses is projected to continue to increase as the U.S. population ages and the birth rates drop. Currently, 12.4% of the U.S. population is age 65 or older. That percentage is projected to increase to 16.3% in 202 and 20.0% in 2030.

In this hearing, the subcommittee will explore whether and how the current immigration system has failed to respond effectively to these economic and health care needs, and what might be done to address this situation in the near future.

The Immigration and Nationality Act authorizes a minimum of 140,000 visas per year to immigrants based upon employment in the United States. All but 5,000 of such employment-based immigrant visas go to highly skilled and highly educated immigrants. Yet the wait times for these immigrant visas also continues to rise. The current wait for highly educated immigrants ranges from two to six years, depending upon education and achievement and country of origin. Highly educated immigrants from India and China suffer from particularly long backlogs. Approximately 400,000 to 500,000 intending employment-based immigrants are believed be caught in the legal immigration backlog.

The 140,000 employment-based immigrant visa numbers allocated annually have proven insufficient to meet the needs of U.S. employers in certain preference categories, most notably in the second and third preferences, which are the categories most used by highly educated, high achieving immigrants in STEM fields and nursing.

More and more, employers from Europe, Australia, Canada, China and India are beating U.S. employers for valuable talent. In 2000, 75 percent of the world's engineers were hired by the U.S. In 2006, 63 percent of the world's engineers were hired by the U.S. Today, more than half of the graduates of U.S. universities in masters and Ph.D. programs in science and engineering are foreign-born. We must do all that we can to ensure that America stays competitive in math, science and engineering. America must continue to attract the best and the brightest innovators to venture to the U.S. to help us maintain our advantage.

Notably, there are two legislative proposals that would address this problem. The first, H.R. 6039, a bipartisan bill authored by Congresswoman Zoe Lofgren, would provide that masters and Ph.D. level graduates from U.S. U.S. universities in science, technology, engineering, and math could accept employment offers from American companies and receive a permanent resident visas. There are an estimated 12,000 graduates per year in this category.

The second is H.R. 5924, the Emergency Nursing Supply Relief Act, a bipartisan bill introduced by Congressman Wexler and Congressman Sensenbrenner. This bill

provides a three-year exemption from current Employment-Based visa caps for up to 20,000 RNs and physical therapists each year. The bill is also designed to enhance the training and retention of U.S.-educated nurses, applying a $1,500 fee on employers for each application for a green card for grants to U.S. nursing schools, which have turned away over 100,000 applications. H.R. 5924 would also incorporate a pilot program for retention grants, subject to appropriations, that will fund career enhancement training for healthcare workers.

I welcome the witnesses' insightful testimony. Thank you, I yield the balance of my time.

PREPARED STATEMENT OF THE HONORABLE EARL POMEROY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH DAKOTA

Chairwoman Lofgren and Ranking Member King, I would like thank you for holding this important hearing to discuss methods to address shortages of highly skilled workers, including health care professionals in our country.

Right now, we are in the middle of a severe shortage of physicians in the United States, especially in rural and lower income communities. This problem is expected to get much worse in the coming decades, with experts saying that by 2020, the United States will have a shortage of 85,000 to 200,000 doctors. Without a doubt, this projected shortage will hit rural and low-income areas the hardest. It is imperative that Congress act now to ensure that these vulnerable populations have access to qualified physicians and needed medical services.

To help address the shortages, Congress created the Conrad 30 program in 1994. Under this program, foreign doctors who have received medical training in the United States are granted a waiver from a visa requirement to return to their home country for two years. In exchange for this waiver, the doctors must commit to providing health care to underserved populations in the United States for three years. In the nearly 15 years of this program, thousands of doctors have been placed in rural and low-income areas in all 50 states.

Unfortunately, at a time when the need for doctors is growing, the number of doctors entering the Conrad 30 program is in decline. For that reason, I introduced H.R. 5707, the Conrad State 30 Improvement Act. This legislation makes the Conrad 30 program permanent. Importantly, the bill improves incentives for doctors to enter the program by providing a green card cap exemption for doctors who complete the program. In addition, it creates a means by which the current cap of 30 doctors per state under the program can expand, while still protecting those states that have had a hard time recruiting doctors under the program.

There have been discussions within the medical community for years about the best way to expand the Conrad 30 program, and this legislation is the first approach universally supported by the medical community. Today, I would like to insert letters into the record in support of this bill from the following organizations:

- Association of American Medical Colleges
- American Medical Association
- American College of Physicians
- American Hospital Association
- Health Partners Medical Group and Clinics
- Immigration Voice
- National Cooperative of Health Networks Association
- National Health Care Access Coalition
- National Organization of State Offices of Rural Health
- National Rural Health Association
- National Rural Recruitment and Retention Network (3RNet)
- North Dakota Hospital Association

I appreciate your attention to this important program, and I look forward to working with you on this legislation as we move forward. The Conrad 30 program has greatly benefited my state, and I believe that the changes to this program will be valuable for helping to combat the growing shortage of physicians. Thank you.

PREPARED STATEMENT OF MARY AMUNDSON, M.A., CENTER FOR RURAL HEALTH, UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

My name is Mary Amundson and I am an assistant professor at the Center for Rural Health, University of North Dakota School of Medicine and Health Sciences in Grand Forks, North Dakota. Thank you for allowing me to provide testimony on the Conrad State 30 program which helps to address a vital issue facing not only rural America but also urban areas across the country as well.

I have been working in the area of physician recruitment and retention for the past nineteen years, working with communities and health care providers to improve access to primary care services through a variety of federal and state programs.

Access to health care is a fundamental issue facing America's rural citizens. Rural Americans account for approximately one-fourth of the U.S. population; however, only about 10 percent of the physicians practice in rural areas. Rural communities in North Dakota, and throughout the country, are experiencing the closing of essential access points such as rural primary care clinics, home health care services, and even rural ambulances. The health care safety-net for rural America is threatened and the health status of rural Americans is compromised. Rural Americans do not seek unnecessary services, they do not seek more than what they need; they do however, expect that their legitimate access to health care services are commensurate with meeting the service needs of populations in more urban settings.

The Conrad J-1 Visa Waiver Program initiated in 1994 has been a very important program not only for North Dakota but for all 50 States and the District of Columbia. The amendments proposed in this new legislation will increase the supply of physicians to underserved areas all across the country.

Physician shortages are not unique to North Dakota but are evident in all 50 states and the District of Columbia. The demand for primary care physicians, especially the specialties of family medicine and general surgery is at an all time high. For example, the American Academy of Family Physicians (2008) notes a steady decline in the number of students choosing family medicine from 1997–2007. Today's medical students who are tomorrow's physicians, are not choosing primary care due, in part, to life style and income which negatively impacts access to care for those citizens living in rural areas where the shortage of providers is most evident. "Departing from past reports, the 16th Report to Congress from the Council on Graduate Medical Education (COGME) report warns of a physician deficit of 85,000 by 2020 and recommends increases in medical school and residency output."[1] Added to this dilemma is the fact that, according to the American Medical Association, 250,000 active physicians will retire by 2020.

In 2004, the U.S. Department of Health and Human Services reported that 34.9 million Americans live in federally-designated health professional shortage areas where there is less than one primary care physician for every 2,000 persons in urban, suburban, and rural areas. Nationally, 67 percent of the non-metropolitan areas in the U.S. are located in federally designated Health Professional Shortage Areas. By way of example, in North Dakota, 81 percent of the state is located in Health Professional Shortage Areas. Further, 91 percent of the state is located in Medically Underserved Areas which are also eligible areas for the Conrad Program.[2]

Health provider need is determined by the number of vacancies or job openings. For example, on a recent survey of health care facilities in North Dakota, 46 percent of our health care facilities (32/69) reported vacancies for family medicine or internal medicine physicians. Of the facilities recruiting these providers, 73 percent of the sites were located in underserved areas.

If it were not for the Conrad J-1 Visa Program, I can assure you that more of our rural health care facilities all across the country would be closed today. For example, the health care facility in Crosby, ND, a town of about 1,000 people, utilized this program starting in 1995. From 1995–2005, the community recruited five physicians through this program that sustained their health care services. These physicians allowed the continuation of services to the citizens of Crosby until a U.S. physician was finally recruited to the community this past year. The Conrad Program provided a much needed bridge to services until a more permanent physician could

[1] COGME's 16th Report to Congress: Too Many Physicians Could Be Worse Than Wasted. Robert L. Phillips, Jr, MD, MSPH1, Martey Dodoo, PhD1, Carlos R. Jaén, MD, PhD2 and Larry A. Green, MD1

[2] Medically Underserved Areas are calculated based on population density, infant mortality/low birth-weight, provider ratios, and percent elderly

be found. Scenarios like these can be cited in communities all across the nation particularly in the Midwest and West.

Although there is a call from the Association of American Medical Colleges to increase medical school class size, this will take time which our fragile rural health care systems don't have; our health care systems simply won't survive. Immediate policy solutions to the physician shortage problem are needed today.

The initial legislation enacted by Congress in 1994 provided a much needed resource to aid communities in recruiting providers; however, due to a decrease in the number of physicians entering training on the J-1 Visa, changes are needed. The Conrad 30 program has been very successful in providing 5,732 waivers from 2001–2007 and the proposed amendments by Senator Conrad will make it even stronger.

As I have stated, the Conrad 30 program is essential in increasing and assuring access to care for millions of Americans and we are appreciative of this program. However, advocating for its re-authorization every two years is precarious for these Americans. Consequently, the proposed legislation that makes the program permanent is extremely important to stabilizing health care services.

States are seeing a steady decline in the number of J-1 physicians applying for Conrad waivers from a high of 1,033 in 2003 to 866 waivers in 2007.[3] This decline is due to the increase in the number of physicians entering the country on H-1B Visas. These visas do not require service to the underserved; these physicians simply need an employer. Policy changes need to be included that address the H-1B visa issue.

The Conrad State 30 Improvement Act proposes five principal reforms to the Conrad program. First, the Conrad State 30 Improvement Act would make the program permanent. Second, the act would allow physicians on H-1B visa to obtain a Conrad 30 waiver slot in return for a three-year service obligation in a federally designated shortage area. Third, the act would offer a green card cap exemption for physicians who have completed the Conrad 30 program. Fourth, the bill would provide increased flexibility for states to manage the program to meet their needs by increasing the Flex slots from five to ten per state. These slots are used for doctors employed at facilities that are not located in federally designated shortage area that serve patients who live in these designated areas. Finally, the bill would create a fair mechanism which would allow the 30 doctor per state cap to increase under certain conditions.

When the Conrad J-1 Visa Waiver program was first implemented in 1994, not all states participated in the program. But within a few years, states were realizing the benefits of this program and all states now participate. This is a very successful program and is helping to address our needs as a nation to improve access to care among the nation's most vulnerable populations. The amendments in the Conrad State 30 Improvement Act are important to further improve the program and ensure that physicians are available to serve the nations underserved.

In conclusion, the Conrad State 30 Improvement Act strikes the right balance between big and small states and has support from across the medical community, from groups that have disagreed in the past on how to improve the program. Those groups that have endorsed the bill include the American Hospital Association, the American Medical Association, the Association of American Medical Colleges, American College of Physicians, the National Cooperative of Health Networks Association, National Health Care Access Coalition, National Organization of State Offices of Rural Health, National Rural Health Association, National Rural Recruitment and Retention Network (3RNet), North Dakota Hospital Association, and HealthPartners (MN).

Thank you for this opportunity to write in support of a critical program that improves the lives of millions of Americans.

I would be happy to work with you to elaborate on issues and answer your questions. For information regarding this testimony, please contact:

[3] Texas Primary Care Office, Conrad 30 Program and from the GAO Report released in November 2007.

PREPARED STATEMENT OF JACK KRUMHOLTZ, MANAGING DIRECTOR FEDERAL GOVERNMENT AFFAIRS, MICROSOFT

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Statement by Jack Krumholtz, Managing Director Federal Government Affairs, Microsoft On the Immigration Subcommittee Hearing on the Need for Green Cards for Highly Skilled Workers
June 12, 2008

WASHINGTON –Microsoft commends House Immigration Subcommittee Chair Zoe Lofgren (D-CA) for her leadership in convening a hearing on the Need for Green Cards for Highly Skilled Workers, and for championing three bipartisan bills through the legislative process to address this urgent issue. The three bills seek to strengthen America's global economic leadership by helping to alleviate the critical shortage of high-skilled workers with expertise in science, technology, engineering and math (STEM) in the U.S. Microsoft also commends the lead Republican co-sponsors of the bills: Reps. Chris Cannon (R-UT); Jim Sensenbrenner (R-WI); and Bob Goodlatte (R-VA); and the strong group of bipartisan cosponsors in the House who are also supporting these efforts.

America's top-notch universities attract the best math and science minds from around the world to study here in the United States, often at institutions subsidized by American taxpayers. But our immigration policies encourage these foreign-born graduates to work for non-U.S. companies abroad. This perverse dynamic undermines American competitiveness and limits the growth potential of our economy by denying U.S. companies access to the best talent.

The three bills introduced by Rep. Zoe Lofgren would provide temporary relief to help American companies compete for the most qualified high-skilled workers available by: 1) exempting graduates of U.S. universities with STEM degrees from the annual limit on employment-based immigrant visas (H.R. 6039, lead co-sponsor Rep. Cannon); 2) recapturing employment-based immigrant visas authorized by Congress but unused because of processing delays (H.R. 5882, lead co-sponsor Rep. Sensenbrenner); and 3) eliminating per-country limitations on employment-based immigration visas that can be issued annually (H.R. 5921, lead co-sponsor Rep. Goodlatte).

It is critically important that Congress focus on both short and long-term legislative solutions that strengthen the competitiveness of American companies, including raising the cap on H-1B visas, providing adequate numbers of green cards for high-skilled labor and improving STEM education. Microsoft strongly encourages Congress to act quickly on Rep. Lofgren's sensible approaches and other similar measures to strengthen key sectors of our economy.

-30-

Contact: Ben Hammer, The Glover Park Group, 202-295-0143
Nell McGarity, The Glover Park Group, 202-295-0193

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LETTER FROM DARRELL G. KIRCH, M.D.,
THE ASSOCIATION OF AMERICAN MEDICAL COLLEGES (AAMC)

Association of American Medical Colleges
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Darrell G. Kirch, M.D.
President and Chief Executive Officer

April 2, 2008

The Honorable Kent Conrad
United States Senate
530 Senate Hart Building
Washington, DC 20510

Dear Senator Conrad:

Thank you for your leadership in helping ensure that our nation's underserved have access to physicians. The Association of American Medical Colleges (AAMC) supports your proposed expansion and permanent reauthorization of the Conrad State 30 J-1 visa waiver program under the "Conrad State 30 Improvement Act" (S. 2672). The AAMC is a not-for-profit association representing all 129 accredited U.S. medical schools; nearly 400 major teaching hospitals and health systems; and 94 academic and scientific societies. Through these institutions and organizations, the AAMC represents 109,000 faculty members, 67,000 medical students, and 104,000 resident physicians.

International medical graduates represent about a quarter of all physicians in training and actively practicing medicine in the U.S. Since its inception in 1994, the Conrad 30 program (together with similar federal J-1 visa waiver programs) has directed more than 14,000 physicians into health professions shortage areas (HPSAs). Today, the Conrad 30 program accounts for over 80 percent of all J-1 visa waiver requests for physicians. Despite this success, the Department of Health and Human Services estimates that almost 16,000 additional primary care physicians are needed to achieve the target HPSA physician to population ratio (1:2,000).

The AAMC supports your proposed reforms for the Conrad 30 program that will help address the program's current inefficiencies as well as the deficiency of physicians to provide care for our nation's underserved. Your bill will eliminate the need for repeated reauthorization of the Conrad 30 program, which has caused disruption of and created uncertainty in the process of requesting J-1 visa waivers for physicians. S. 2672 also will increase the number of Conrad 30 J-1 waivers to address the increased need of HPSAs, while maintaining a well-balanced national distribution. Furthermore, the bill will grant states more flexibility by increasing from 5 to 10 the number of "flex-slots" that states can use to place physicians in non-HPSA facilities that serve patients who live in underserved areas. Finally, your proposed green card cap exemption would provide an important incentive for physicians to practice in underserved communities.

While S. 2672 will direct more physicians into health professions shortage areas, the AAMC remains concerned that there will continue to be greater incentives for international medical graduates to enter on H-1b visas than on J-1 visas. The AAMC believes that the J-1 visa is the most appropriate visa for non-U.S. citizen graduates of international medical schools entering graduate medical education programs in the U.S. The H-1b visa (an employment visa) is not appropriate for physicians coming to the U.S. for education and training purposes.

The primary purpose of graduate medical education is education and training. The J-1 visa's purpose is educational and its administration by the Educational Commission for Foreign Medical Graduates (ECFMG) assures that J-1 residents and fellows possess valid medical education credentials, have successfully passed Steps 1 and 2 of the United States Medical Licensing Examination, have been accepted for training by an accredited U.S. graduate medical education program affiliated with a U.S. medical school, and that their country of origin needs the knowledge and skills that they will obtain through their education in the U.S. No other immigration program or visa category is as consistent with the aims of U.S. graduate medical education or offers an equal assurance of the quality of entrants.

Thank you again for you leadership on this important matter. I look forward to working with you to permanently reauthorize the Conrad State 30 program with these positive changes and to address the AAMC's concerns with the physician visa pathways in broader immigration reform.

Sincerely,

Darrell G. Kirch

Darrell G. Kirch, M.D.

LETTER FROM RICK POLLACK, EXECUTIVE VICE PRESIDENT, THE AMERICAN HOSPITAL ASSOCIATION

Liberty Place, Suite 700
325 Seventh Street, NW
Washington, DC 20004-2802
(202) 638-1100 Phone
www.aha.org

April 21, 2008

The Honorable Kent Conrad
United States Senate
530 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Conrad:

On behalf of the American Hospital Association's nearly 5,000 member hospitals, health systems and other health care organizations, and our 37,000 individual members, I am writing to express our support for S. 2672, the Conrad State 30 Improvement Act. This legislation permanently reauthorizes the Conrad State 30 program and makes other changes that will improve access to health care to many of our most vulnerable citizens.

Under current law, foreign physicians admitted to the United States on a J-1 visa to participate in educational exchange programs are required by section 212 (e) of the Immigration and Nationality Act (8 U.S.C. 1182 (e)) to return to their home country for two years before they are eligible to return to the U.S. on an immigrant visa, permanent residence or another nonimmigrant visa. The Conrad State 30 program allows state health departments to request J-1 visa waivers for up to 30 foreign physicians per year to work in federally designated Health Professions Shortage Areas or Medically Underserved Areas. First enacted in 1994 (Public Law 103-416), this program has been integral to bringing medical care to many of the most underserved rural areas of the country. Access to health care is a critical issue for our nation. Currently more than 20 million Americans live in areas where there is a lack of physicians to meet their medical needs.

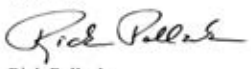
The Conrad State 30 program expires on June 1, 2008. Your bill permanently reauthorizes this valuable program and also helps us address physician shortages by enabling physicians who hold an H-1B visa to receive an exemption in exchange for service in an underserved area. This will provide a much-needed incentive for physicians to work in remote and underserved areas and will help ensure that access to health care in those areas is improved. States are also provided with added flexibility in placing physicians, and this will help states address local health care needs.

The Honorable Kent Conrad
April 21, 2008
Page 2

Our nation's rural hospitals struggle to recruit and retain physicians, and the supply of primary care providers in rural areas is steadily decreasing. In many areas of our nation, the Conrad State 30 physician is the only source of health care. Without an immediate reauthorization and program improvements, many of our communities that have benefited from a Conrad State 30 physician may find themselves without access to medical services.

AHA commends you for your leadership in reauthorizing and improving the program. We urge the swift adoption of S. 2672 and stand ready to work with you and your colleagues to accomplish this goal.

Sincerely,



Rick Pollack
Executive Vice President

LETTER FROM ROGER COCHETTI, DIRECTOR—U.S. PUBLIC POLICY, COMPTIA

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www.comptia.org

May 23, 2008

Chairwoman Zoe Lofgren
Subcommittee on Immigration
517 Cannon House Office Building
Washington, D.C. 20515

Dear Chairwoman Zofgren:

On behalf of CompTIA's 20,000 members I would like to thank you for introducing H.R. 5882, H.R. 5921, and H.R. 6039. These bills are a wonderful first step towards ensuring that the American economy remains globally competitive.

As you are well aware, America's green card programs are inadequate address marketplace demand. Such barriers that prevent foreign skilled workers from working in the U.S., for American companies, do nothing to improve the domestic base of skills and may irreparably impede the future growth of our economy in every sector. Unfortunately, the green card delays freeze visa holders in their current status, thus limiting their contribution to the economy. Because of the limits on H1B visa holders, their upward and geographic mobility is limited, their spouses may not work outside the home, and they are usually locked in with their sponsoring company.

Passage of your legislation would be a tremendous step forward to alleviate some of the pressure on the H-1B and green card programs. Recapturing employment-based green cards that went unused due to bureaucratic delays, eliminating the per country limits on employment-based green cards, and exempting foreign-born students who have earned advanced science, technology, engineering, and mathematics degrees from U.S. universities from the employment-based green cap will enable a few more talented immigrants to move through the immigration process and contribute more fully to the American economy and culture.

CompTIA represents the business the broad interests of the information technology industry. In addition to representing hardware and software developers, nearly 75% of our membership is comprised of American Value Added Resellers (VARs). These small, system integrators install, set up, and maintain computer systems and networks for small businesses. An estimated 32,000 American VARs sell some $43 billion dollars worth of computer hardware, software, and services -- mostly to the small businesses that drive the American economy. While few VARs will directly benefit from improvements in our green card policies, they do benefit from many of the new technologies created by immigrants.

Again, thank you for your efforts to guarantee America's economic competitiveness. Please let me know if there is anything CompTIA can do to assist in your efforts. We look forward to working with you on this issue of grave importance to our economy.

Sincerely,

Roger Cochetti
Director – U.S. Public Policy

LETTER FROM IMMIGRATION VOICE, THE NATIONAL COOPERATIVE OF HEALTH NETWORKS ASSOCIATION, THE NATIONAL HEALTH CARE ACCESS COALITION, THE NATIONAL ORGANIZATION OF STATE OFFICES OF RURAL HEALTH, THE NATIONAL RURAL HEALTH ASSOCIATION, THE NATIONAL RURAL RECRUITMENT AND RETENTION NETWORK (3RNET), AND THE NORTH DAKOTA HOSPITAL ASSOCIATION

May 13, 2008

Senator Kent Conrad
530 Hart Senate Office Building
Washington, DC 20510

Dear Senator Conrad:

We, the undersigned organizations, support S.2672, the Conrad State 30 Improvement Act and believe it is crucial to ensuring access to health care for thousands of communities across America.

America's medical schools produce approximately 18,000 graduates each year and all of those physicians enter America's graduate medical training programs at teaching hospitals across the country. Those hospitals train the bulk of America's primary and specialty care physicians.

After all American medical students find places in residency and fellowship programs, approximately 5,000 to 7,000 slots remain open. The top graduates of foreign medical schools are permitted to apply for these positions. A large proportion of these international medical graduates (IMGs) enter on J-1 visas. A key requirement for these doctors is that they return to their home countries for two years upon completion of their program. A doctor agreeing to serve three years in a medically underserved community can remain in the US, however, with the support of an interested federal agency or, under the Conrad 30 J-1 waiver program, a state health agency.

On June 1, 2008 the Conrad 30 J-1 waiver program will sunset. This will have a devastating impact on thousands of communities around America. For many of the country's most underserved communities, the Conrad program is their only hope for attracting a physician. The problem has gotten worse over the last few years as a national physician shortage has gotten more and more severe. While the medical community has started to address the problem by planning for more medical schools, experts doubt that we'll see the first graduates of such planned programs actually begin post-training employment for at least another 10 to 15 years.

S.2672 will permanently reauthorize the Conrad 30 program. The program was established in 1994 on a pilot basis and after 14 years, every state has now created a Conrad 30 program. The program has cost taxpayers little while bringing some of the most qualified young doctors in the country to communities that would often have no doctor at all.

S.2672 also makes other very needed changes to physician immigration rules. Over the last two decades, an increasingly greater proportion of physicians have entered the country on H-1B visas. H-1B visas do not have a home residency requirement like the J-1. But they do have an annual limit and many doctors on H-1Bs find themselves in a position of having to leave the country anyway because there are no H-1B visas left.

Many of these physicians are recruited to highly developed countries experiencing physician shortages similar to the US.

S.2672 would allow H-1B physicians to participate in the Conrad 30 program and receive an exemption from the H-1B visas limit in exchange for working in an underserved community for three years. Today, H-1B physicians not only lack an incentive to work in such areas, but they are actually prohibited from accepting such positions because of a lack of a visas number. To make up for the increased demand on Conrad 30 slots, the bill allows for the program to grow in proportion to the number of slots requested.

S.2672 will also allow states more flexibility in placing physicians. Under current rules, 5 of a state's 30 slots may be used by facility's located physically outside of a designated shortage area, but which can demonstrate it is serving an underserved population. This allows regional hospitals that serve a large population spread across a geographic area with numerous shortage areas to qualify. It also allows academic medical centers to use the program. Many of these facilities offer highly specialized physicians who serve an entire state.

Finally, the Conrad State 30 Improvement Act provides for an exemption to the limit on green cards that can sometimes result in a physician waiting five to ten years in a queue for permanent residency. The lack of certainty regarding their future in this country has led many highly qualified doctors to leave underserved communities and seek work abroad. S.2672 would provide an exemption from such quotas for doctors who complete service under the Conrad 30 program and would dramatically increase the likelihood that a doctor will choose to remain in the United States.

We congratulate you on offering this important legislation and strongly support your effort to ensure America's medically underserved communities have access to the health care resources they need.

Sincerely,

Immigration Voice
National Cooperative of Health Networks Association
National Health Care Access Coalition
National Organization of State Offices of Rural Health
National Rural Health Association
National Rural Recruitment and Retention Network (3RNet)
North Dakota Hospital Association

LETTER FROM MICHAEL D. MAVES, MD, MBA, EXECUTIVE VICE PRESIDENT, CEO, THE AMERICAN MEDICAL ASSOCIATION

Michael D. Maves, MD, MBA, Executive Vice President, CEO

March 13, 2008

The Honorable Kent Conrad
United States Senate
530 Hart Senate Office Building
Washington, DC 20510

Dear Senator Conrad:

On behalf of the physician and medical student members of the American Medical Association (AMA), I want to express our strong support for S. 2672, the "Conrad State 30 Improvement Act," which would reauthorize the J-1 visa waiver program.

Many communities, including rural and low-income urban areas, have problems attracting physicians to meet their health care needs. To address these unmet needs, many of these communities have turned to foreign physicians who have just completed their graduate medical education in the United States. The use of J-1 visa waivers is a major means of placing physicians in medically underserved communities.

The reauthorization of the Conrad State 30 program will provide incentives for physicians to practice in medically underserved areas. We support key provisions in this bill that create a mechanism for expanding the current cap on J-1 visa waivers per year per state and that exempt physicians upon completion of their service requirement from green card caps.

There is a growing consensus that the United States faces a future shortage of physicians. In its last report in 2005, the Council on Graduate Medical Education (COGME) predicted a shortage of 85,000 physicians by the year 2020. Alleviating physician shortages is critical, especially in medically underserved areas that already face health care access challenges.

Reauthorizing this J-1 visa waiver program, creating a mechanism to increase the number of Conrad State 30 slots, and exempting from immigration caps physicians who have completed their service requirements will help ensure continued access to care in medically underserved communities across the United States.

We appreciate your leadership on this important issue and look forward to working with you to advance this legislation.

Sincerely,

Michael D. Maves, MD, MBA

American Medical Association 515 North State Street Chicago Illinois 60610
phone: 312 464 5000 fax: 312 464 4184 www.ama-assn.org

LETTER FROM NANCY MCCLURE, SENIOR VICE PRESIDENT, HEALTHPARTNERS MEDICAL GROUP AND CLINICS

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HealthPartners®

8100 34th Avenue South
PO Box 1309
Minneapolis, MN 55440-1309

April 17, 2008

Senator Kent Conrad
530 Hart Senate Office Building
United States Senate
Washington, DC 20510-3403

Dear Senator Conrad:

On behalf of HealthPartners Medical Group, I am writing to support S.2672, the Conrad State 30 Improvement Act and believe it is crucial to ensuring access to health care for thousands of communities across America, including underserved communities in Minnesota.

HealthPartners Medical Group (HPMG) is a physician led, multi-specialty group practice with over 600 physicians serving patients at more than 50 clinic locations throughout the Minneapolis/St. Paul metropolitan area. HPMG is part of HealthPartners, a consumer-governed family of nonprofit Minnesota health care organizations focused on improving the health of its members, its patients and the community.

On June 1, 2008 the Conrad 30 J-1 waiver program will sunset. This will have a devastating impact on thousands of communities around America. For many of the country's most underserved communities, the Conrad program is their best hope for attracting a physician. The problem has gotten worse over the last few years as a national physician shortage has gotten more severe. While the medical community has started to address the problem by planning for more medical schools, experts doubt that we'll see the first graduates of such planned programs actually begin post-training employment for at least another 10 to 15 years.

S.2672 will permanently reauthorize the Conrad 30 program. The program was established in 1994 on a pilot basis and after 14 years, every state has now created a Conrad 30 program. The program has cost taxpayers little while bringing some of the most qualified young doctors in the country to communities that would often have no doctor at all.

S.2672 also makes other needed changes to physician immigration rules:

- allow H-1B physicians to participate in the Conrad 30 program and receive an exemption from the H-1B visas limit in exchange for working in an underserved community for three years,
- allow states more flexibility in placing physicians
- allows regional hospitals that serve a large population spread across a geographic area with numerous shortage areas to qualify
- academic medical centers to use the program
- provides for an exemption to the limit on green cards that can sometimes result in a physician waiting five to ten years in a queue for permanent residency.

We congratulate you on offering this important legislation and strongly support your effort to ensure America's medically underserved communities have access to the health care resources they need.

Sincerely,

Nancy McClure
Senior Vice President, HealthPartners Medical Group and Clinics

HealthPartners' mission is to improve the health of our members and our community

04/17/2008 2:47PM