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U.S.

Tech Industry Rushes to Grab New H1-B Worker Visas

Heavy demand for scarce foreign skilled-worker visas points to a likely lottery



Tech companies such as Microsoft compete each year for H-1B visas for foreign workers. *PHOTO: STEPHEN BRASHEAR/GETTY IMAGES*

By **MIRIAM JORDAN**

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As the presidential race has thrust immigration and job displacement center stage, demand for foreign skilled-worker visas coveted by tech companies is expected to far outstrip supply again this year, likely prompting the government to hold a lottery.

U.S. Citizenship and Immigration Services, the federal agency that oversees the H-1B visa program, begins accepting applications Friday for fiscal 2017.

“April 1 isn’t so much as a start date, but a starting gun for the furious race by U.S. employers to secure skilled labor,” said Adams Nager, economic policy analyst at the Information Technology and Innovation Foundation, a tech policy think tank.

U.S. companies can sponsor 65,000 foreigners with at least a bachelor's degree from any university. An additional 20,000 visas go to individuals with advanced degrees from U.S. institutions. Universities and nonprofits, which aren't subject to a cap, also use H-1Bs to hire many workers each year.

The 85,000-quota is expected to be exhausted in a matter of days for the third consecutive year despite announcements by some tech companies of layoffs, according to federal officials and immigration attorneys who file petitions for companies.

Employers pay fees to the government and lawyers to apply for the visas.

"I marvel at the fact that employers are willing to pay thousands of dollars just to get a chance to be subjected to a random lottery," said Los Angeles-based Rita Sostrin, among many attorneys who said their H-1B business has grown significantly this year.

Ms. Sostrin predicted that individuals competing for a visa in the regular "skilled" category, for people with a bachelor's degree, will have less than a 20% chance of being selected in a lottery. Those with advanced degrees will have less than a 50% chance, she said.

"The tech industry is not slowing down here that I have seen," said Gregory McCall, an immigration attorney in Seattle. Based on his caseload, "there are plenty of companies going like gangbusters."

Arguing that it faces a shortage of specialized workers, the U.S. tech industry has for years lobbied to expand the H-1B program—and counted on support from the business-friendly Republican establishment. The 2016 presidential race has altered the picture.

On the campaign trail, the program has been blamed by some candidates for enabling employers to hire cheaper foreign labor at the expense of U.S. workers.

At rallies, GOP front-runner Donald Trump has featured tech workers who said they were replaced by foreigners. At a recent debate, Mr. Trump briefly disavowed his opposition to the visa program, saying such foreign workers were needed. But a short time later he switched back to opposing the program.

Republican rival Ted Cruz, who supported the program's expansion in 2013, has called for a moratorium until it is reviewed. Democratic contender Bernie Sanders also is a critic; Hillary Clinton is a supporter.

"This is the first time the H-1B program has entered a presidential campaign. As a result,

it's received more scrutiny than it has in the past," said Ron Hira, a Howard University professor who studies the program.

Mr. Hira, a critic of the program, said the Obama administration has failed to protect U.S. workers' interests. "The not so subtle message to American workers is 'tough luck'—you should be replaced by a cheaper H-1B guest worker."

Many H-1Bs are issued to offshore outsourcing companies, especially from India, which have U.S. subsidiaries that bring in foreign labor they subcontract to American banks, retailers and others. Critics say those foreigners displace U.S. workers because they are often paid lower wages.

For a few years, the weak U.S. economy left thousands of H-1B spots unfilled until late in the filing period. Demand has rebounded since the recession ended. Last year, some 233,000 applications were filed in less than a week, meaning about one in three individuals for which companies petitioned actually was awarded a visa.

Some experts say that even if there are layoffs in the tech industry this year, overall employment is likely to keep growing and the biggest challenge will be hiring talent.

"H-1Bs will remain in high demand as companies scramble to find workers to fill 560,000 empty tech jobs. For many computing and engineering vacancies, American workers are unavailable," said Mr. Nager, the analyst.

In recent years, proposals to expand, curtail or review the program haven't advanced in Congress amid the broader debate over an overhaul of the U.S. immigration system.

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