



THE BRIEFING ROOM

By Business. About Business. For Business.
May 15, 2013

Immigrant Entrepreneur Says Immigration Reform Is All About the Money

*By JR Planas**

Focus reform on what's best for America in light of costs to companies, taxpayers, immigrants



In this final installment of a two-part series, **immigrant entrepreneur John Pinnington shares his views and answers tough questions on solving the illegal immigration problem and the impacts of immigration on businesses.**

A month ago tomorrow, the “Gang of Eight”—a group of bipartisan senators leading the push for reform—introduced the *Border Security, Economic Opportunity, and Immigration Modernization Act* in the Senate. Hundreds of amendments to the bill have been filed so far, and it is important that the voices of the business community are not lost in a highly politicized debate.

To read John Pinnington’s story in Part I of this series, visit ***The Briefing Room*** on the Urban Chamber website or at <http://urbanchamber.org/files/1929.pdf>.

**All responses are views and opinions of John Pinnington only. Neither the Urban Chamber nor the author espouses or endorses these statements.*

JR: The “Gang of Eight” bill reforms immigration laws to increase the emphasis on merit-based immigration over family-based immigration. House Judiciary Committee Chairman Rep. Bob Goodlatte (R-VA) said, “Our current immigration laws do not prioritize immigrants based on the skills and education they bring to our country.” That only about 12% of legal immigrants are selected on the basis of their skills. With several visa programs that admit investors, religious workers, refugees and asylees, family members, students, entertainers and sports figures, visitors, and many others, would this 12% assessment sound fair? If it is, should reform focus on increasing that percentage?

JP: If you’re looking for the best of the best, if that number is correct, I’d say that’s pretty low! We’d want more. You should be entitled to be able to bring your immediate family over, given the current restrictions like age. I think it is wrong to separate families. It is un-American. But, we do need to get the best of the best to come here so they should increase that 12%.

JR: One of the most popular ways workers legally immigrate to the U.S. is through the H-1B visa, a temporary, non-immigrant visa for high-skilled foreign workers. A recent Wall Street Journal article identifies that the cost for an employer to hire a worker under the H-1B is “between \$1,575 and \$5,500



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in fees” plus the legal fees the company incurs to hire a lawyer to process the application. The same WSJ article reported that the “bipartisan group of senators [working on immigration-reform legislation] is weighing higher visa fees and fines to offset the cost of overhauling immigration laws.”

But, according to a Small Business Majority survey done in March, 74% of small business owners believe more high-skilled foreign workers should be admitted into the country legally and tech companies have clamored to increase the number of H-1B visas available. Is increasing fees and fines the right direction to take to meet this demand for high-skilled foreign workers?

JP: No, I don't think they should increase it. We want to increase that percentage [that only 12% of legal immigrants are admitted based on their skills] by bringing in the best of the best. Companies are already paying all those fees to get the best. Increasing the fees is counterproductive. It would be like trying to kill the market by making it harder to admit high-skilled foreign workers. And that's not what we want. Immigrants come to work for the companies. Companies pay taxes. Immigrants pay taxes. The government will end up making their money in the long run. Increasing the fees is not right.

JR: *Would you ask for the fees to be decreased?*

JP: If I'm trying to get somebody here who can do a job that an American cannot do, I'm going to pay for that. But, I would ask that they keep the fees the same or decrease them. We need these people. Let's get them here.

JR: *A recent NPR article stated that the majority of H-1B visa workers are not actually those in the tech companies that are clamoring for more visas but those in consulting companies. These consulting companies were labeled as “offshore-outsourcers” bringing in cheap H-1B labor undercutting American workers, then eventually shipping the jobs overseas.*

In 2011, the U.S. Government Accountability Office reported that worker protections, such as H-1Bs being paid at prevailing wages, are “weakened by several factors” and oversight is “cursory.” Should reforming the system be a prerequisite to increasing the H-1B visa annual cap? How do we prevent companies from exploiting H-1B workers and other legal immigrant workers to undercut the domestic American labor force?

JP: It's all about the money. The big corporations make money from cheap labor. Their lobbyists and advocacy groups make money from them. The people setting the policies and enforcing regulations also make money from these corporations. It is intertwined with the political system. We, or they, may stand up and say they are against abuses and lack of enforcement, but the challenge is within the political system.

I don't think companies should be bringing in cheap labor to undercut American workers. But it would be difficult to break the purse strings to change anything substantially. Right now, what the “Gang of Eight” senators is doing looks good. But, would a lot of that get through and be enacted?



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We clamor for businesses to be brought back to the United States. But, we need to lower the taxes for corporations so that they can bring the businesses back here. They would hire more Americans, and we won't have to hire cheap[er] labor to do the jobs. You mentioned consulting companies. Why are we bringing consultants in from overseas? Let's bring in engineers! People who will build the technology for the future! We have enough consultants. And, to make a full circle, in many places, they're called lobbyists! [Laughter]

JR: It's been said that the corporate tax rate in the United States is the highest among developed countries. Should that corporate tax rate be a point of discussion in immigration reform?

JP: Yes it should! But, again, people are making money from it. They can lower the tax rate if they want to. But, corporations will then lobby lawmakers to let them stay overseas. Let's get the businesses back here. Let's focus on America. Let's build it to be strong! Then, we will get more qualified immigrants who want to come here. Then, we'll have more money to train more Americans with the education they need (such as in STEM jobs and industries). Lower the taxes and get the corporations back here to get more Americans back to work. Simple as that!

JR: The Wall Street Journal reported that major companies like Microsoft have shown in the past they were willing to pay higher fees for increasing the number of H-1B visas on the condition that the increase in revenue is put to use in educating U.S. workers for STEM jobs and industries (science, technology, engineering, mathematics). How important is increasing incentives for STEM education in the United States?

JP: For the future of this country, yes it is absolutely important! We're going into where we want to lead in a new age of technology. Like solar energy and transitioning out of oil and fossil fuel energy. We need immigrants for that, too. If companies are willing to pay to make America the leader in the world for this type of technology, let's do it.

STEM education is crucial for leadership in technology. Right now, the government is doing a lot to offer programs to get people back to school and be trained. But, unlike immigrants who make the most of what they have, a lot of Americans have become comfortable and don't want to take advantage of that opportunity. I bet you that if you tell people, "We'll send you to school to learn for a new job," you'll get more immigrants than Americans in those classes. That's crazy! We need more incentives to educate the American workforce for STEM industries.

JR: The "Gang of Eight" bill is expected to be introduced tomorrow, April 16th. Sen. Chuck Schumer (D-NY) said, "This is a very balanced bill. The American people have told us to do two things: one, prevent future flows of illegal immigration; and then, come up with a common-sense solution for legal immigration. And that's what our bill does." AP reports, "The measure would put millions who are in the U.S. illegally on a 13-year path to citizenship, while toughening border security requirements, mandating that all employers check the legal status of workers, and allowing tens of thousands of new high- and low-skilled workers into the country with new visa programs."



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Sen. Marco Rubio (R-FL) said, "If you are undocumented here now, if you are illegally in the U.S., that you can't even apply for this [path to citizenship] until these plans are in place and they... implement them. ...Going back and waiting 10 years is going to be cheaper and faster than [sic] going through this process..." Do you agree with the current proposal for solving the illegal immigration problem?

JP: My view is that illegal immigration is never going to stop. You'll have to enforce the border, but how much can you do to stop people who are determined to come here? You can put walls all the way around the country and people will still find a way in because this is the land of opportunity. But, I remember when the recession hit, a lot of immigrants went home because jobs were scarce. Everyone blames the immigrants, but what you have to do is fine companies for not verifying the legal status of immigrants. For the nearly 12 million here already illegally, yes:

- ✓ They should pass a background check.
- ✓ They should have the opportunity to apply for permanent residency first, then
- ✓ They should be able to apply for citizenship.
- ✓ They have to start paying taxes, a set fine for breaking the law and staying here illegally.
- ✓ They should pay an application fee that will pay for the process they will use to obtain legal status.
- ✓ People who are going through the legal process should not be overtaken by the illegal immigrants. So, yes I agree that illegal immigrants should wait 10-15 years to apply for citizenship.

And, no, we shouldn't require them to pay back taxes. Who's going to set up and pay for the system to track back taxes? That's going to drive people away from coming forward. Let's set one fine and one application fee. People should know exactly what they need to pay when they come forward.

JR: CBS MoneyWatch recently reported on a Duke University/CFO Global Business Outlook survey. This survey reported that slightly more than 80% of CFOs think foreign undergraduate students working on STEM degrees should have easy access to the H-1B work visas; and 78% think it should be easier for those with or pursuing advanced STEM degrees to become U.S. permanent residents. This survey also asked a particular question I'd like to ask you in closing: "From the perspective of your company, what is the most important change that should be made to U.S. immigration policy?"

JP: Everything is important! There isn't one overriding principle or change to be made. We want the best of the best. That is, I think, the most important factor in making America accessible to immigrants. I agree with the majority of the CFOs in their statements. We want those people who have or are earning their status and their degrees to stay. We want America to have the best of the best to stay ahead of the rest of the world.

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