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Long-Prized Tech Visas Lose Cachet

Firms Make Only 8,000 H-1B Immigration Petitions as Weak Economy, Higher Fees and Jobs Overseas Depress Demand

By [MIRIAM JORDAN](#)

A visa program designed to supply skilled foreign workers to companies in the U.S. has slowed sharply, attracting about 50% fewer petitions so far this year than last year, and 80% fewer than in 2009.

Several factors have contributed to the decline in H-1B visas, including the lackluster pace of the U.S. recovery, more opportunities for skilled workers in their home nations and higher visa fees, which appear to have spurred Indian companies operating in the U.S. to seek fewer visas. Attacks on the program by congressional foes of U.S. immigration policies have also cast a shadow over it.



The H-1B visa program designed to bring skilled foreign techies to companies in the U.S. has slowed sharply, as workers from countries like India and China find their options at home to be more appealing. Miriam Jordan reports.



Bloomberg

Vinod Khosla, co-founder of Sun Microsystems, held an H-1B visa.

U.S. Citizenship and Immigration Services told The Wall Street Journal this week that it received about 8,000 H-1B petitions from businesses in April, the first month the agency accepts them for the fiscal year beginning Oct. 1. That compares with 16,500 petitions in April 2010 and about 45,000 in April 2009, according to USCIS.

"It's baffling that H-1Bs aren't picking up if the economy is stronger," said Steve Miller, a Seattle attorney who prepares petitions for employers in high tech, retail and other sectors.

For years, the H-1B program was a mainstay for software companies, architecture firms and other businesses that seek foreign nationals to fill certain jobs. Demand for the visas by companies outstripped supply, and companies such as Microsoft Corp. lobbied the U.S. government to raise the cap on the number of visas.

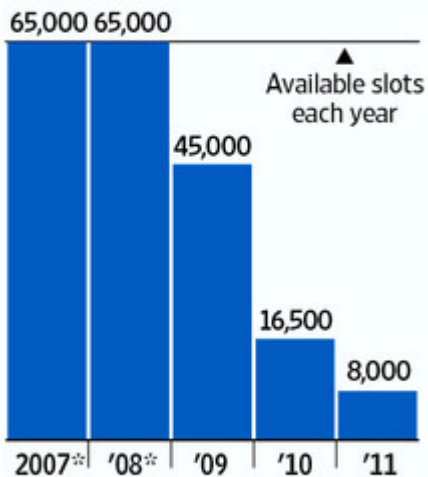
In 2008, employers snapped up all 65,000 visas allotted on the first day, April 1. But starting in 2009, after the financial crisis hit, the flow of applications has steadily diminished.

The program, which enables foreigners to work in the U.S. for three to six years, was created as part of the Immigration and Nationality Act of 1990 to help U.S. companies overcome a shortage of workers in specialty occupations, such as computer programming. Recently, the program has been attacked by lawmakers who say it displaces American workers and depresses wages.

Supporters and opponents made their cases at a congressional hearing held March 31, the day before the federal government began accepting H-1B applications.

Fewer Takers

Number of H1-B visa petitions received by end of April for the following year



*Annual allotment reached in two days and one day, respectively

Note: Fiscal year ends Sept. 30

Source: U.S. Citizenship and Immigration Services



At the House Subcommittee on Immigration, a critic of the program, Ronil Hira, highlighted that Indian companies operating in the U.S., such as [Infosys](#), Tata and Wipro, are among the biggest H-1B users, and that they're bringing in foreigners with ordinary skills.

In an interview, Mr. Hira, a professor of public policy at Rochester Institute of Technology, said that "because of loopholes, employers can bring in cheaper foreign workers to substitute for American workers and undercut their wages."

His research indicates only about a third of all H-1B visa holders are "really highly skilled or graduates of U.S. universities who would be eventually sponsored for green cards," or permanent U.S. residency, by their employers. Employers have said that the program enables them to tap top talent, whom they seek to hire permanently down the road.

Supporters of the program, including high-tech firms and industry groups, say it attracts foreign talent that spawns innovation and creates jobs in the U.S. They cite former H-1B holders such as Vinod Khosla, co-founder of Sun Microsystems, and Vinod Dham, an engineer behind Intel Corp.'s Pentium chip, as proof of its value.

Vivek Wadhwa, a visiting scholar at the University of California at Berkeley who studies immigrant entrepreneurs, said that an anti-immigrant climate had made it "a liability to hire H-1Bs," and that this will gradually chip away at U.S. global competitiveness, because the country has a dearth of homegrown engineers and scientists.

Moreover, Mr. Wadhwa said that foreign nationals who obtain U.S. degrees were more likely than ever to return home. "Ten to 15 years ago, by default, you'd want to be in America, because you had more opportunities. Now, you can do much, much better at home," he said.

In a survey of more than 250 Indian and Chinese entrepreneurs published last month, Mr. Wadhwa and co-researcher AnnaLee Saxenian, also of Berkeley, found that the majority of those who returned to their native countries believed they were faring better overall than they would have in the U.S.

Nutan Kunduri, a software engineer who stayed in the U.S. on an H-1B visa after completing her studies, said she decided to accept a job offer in India less than a year into working in Silicon Valley.

"Ten years back, I had this 'nothing will change in our country' attitude," she said. A recent visit to India made her realize that "for an IT professional like me, India is the place to be, with its booming tech industry."

Abhinav Tripathi, a software engineer with a U.S. company in Boston, also plans to return to India, where salaries are slightly lower but the cost of living is significantly cheaper. "I see my friends back home enjoying most of the comforts of Western life," he said, with the added bonus of being close to friends and aging parents. "We can't often bring our parents to the U.S., as it's getting difficult to obtain visas for them," he said.

Some immigration attorneys believe companies are taking their time to file H-1B petitions because the 65,000 quota is unlikely to be exhausted soon. The cost and bureaucracy of applying is another deterrent. Last year, Congress passed a law that adds an additional fee of \$2,000 for certain H-1B petitions that had cost \$325. All told, lawyers' fees, filing fees and other expenses can reach \$9,000 a applicant.

"HR people are aware there's no rush on H-1Bs," said Julie Pearl, an immigration lawyer in San Francisco.

—*Vibhuti Agarwal contributed to this article.*

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