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Educational and Immigration Aspects of Innovation: Educating the Innovators and Shaping Immigration Policy for High Tech Workers

Scott F. Cooper

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paper. Today it is the global leader in cell-phone handsets, a technological tour de force and global brand called Nokia.

Nokia today has 50,000 employees in the world.³¹ 25,000 of those employees are in Finland, half in R&D, and half running the company. Finland, by the way, has a population about the size of Toronto.³² So we are talking from the long-term standpoint, the question of acquiring the political will, and making the public investments necessary, and on that count, I thank you.

UNITED STATES SPEAKER

Scott F. Cooper[†]

Good morning. You know, Bob, I did not look at my Blackberry one time during that presentation. That was out of respect.

My objective today is to kind of overview United States immigration law impacts, and I will make some comments about technology workers and innovation relative to our education system, although I think Bob covered that fairly well, so I do not need to spend a lot of time on that.

There is some background here, just to bring you up to date. All of this goes on around you, but sometimes you don't see it in the context of how it really impacts our innovativeness and our ability to obtain the individuals that we need to supplement our work force. We didn't worry much about it.

In the late 1990s, we were horrified that Y2K was around the corner, and anybody we could ship into the United States to help with that problem, we were more than happy to have them in.³³ There was a growth of the dotcoms

³¹ See generally ABOUT NOKIA (2006), available at http://www.nokia.com/NOKIA_COM_1/About_Nokia/Sidebars_new_concept/About_Nokia_broschure/nokia_about_eng.pdf (discussing general company statistics).

³² See generally OECD STATISTICS, <http://stats.oecd.org/WBOS/ViewHTML.aspx?> (last visited Oct. 10, 2006) (provides basic statistics on Finland, including population density).

[†] Scott F. Cooper is a Partner with Fragomen, Del Rey, Bernsen & Loewy LLP, the world's largest law firm practicing exclusively in global corporate immigration matters. In practice since 1979, he has served as a Chapter Officer of the Michigan and Greater Chicago Chapters of the American Immigration Lawyers Association and serves on AILA's Board of Governors. Mr. Cooper has also been Chair of the Immigration and Nationality Law Committee of the Chicago Bar Association. He has been a contributing author and editor of publications for the American Council for International Personnel, the Employee Relocation Council, the College and University Placement Association, the American Immigration Lawyers Association, the Michigan and Illinois Institutes or Continuing Legal Education, NAFSA: Association of International Educators and lead author of an Immigration Briefings on Exchange Visitors.

³³ See generally S. Mitra Kalita, *As a Government Cap on Work Visas Rises, So Does Confusion*, WASH. POST, Apr. 8, 2005, at E01 (discussing the tech boom after Y2k and the

that occurred, and there was starting to be a trend toward outsourcing technology from in-house to consulting firms, and we saw a lot of hope and future in technology, especially computer sciences and that.

So many United States students saw this as the future. Many workers went to retrain, and then the dotcom bubble burst and Y2K was over. It was not the problem we thought it would be. There was not as much aftermath.

The layoffs of technology workers began. Some laid off United States workers felt they were being displaced by cheap foreign technology-workers; then we saw off-shoring, we saw it early in the media, which began as part of the overall globalization of the world economy. The United States had to be a participant and was certainly a driving force in globalization, so that off-shoring, not just outsourcing, but taking these positions and going offshore to locations where there were either better skill sets or cheaper labor, and that then picked up the media's attention.

There were many United States workers who testified in Congress about being laid off because of off-shoring, and it is a phenomena that continues. The allegation then started to focus on U.S. immigration, especially temporary workers coming into the United States, perceived to enter with certain temporary visas to learn U.S. workers jobs and then to take those jobs offshore to locations.

So the politics really geared up, and there was a significant restrictionist element, which co-opted the concerns of many U.S. workers who perceived foreign nationals entering the United States to either take their jobs here or to take their jobs offshore, so they co-opted that into their agenda for basically scaling back immigration.³⁴

The principal advocates in Congress are advocating things like limiting U.S. immigration to 9,000 immigrants a year.³⁵ That is a little different than our 800,000 or 900,000 per year, and there have been many, many bills introduced in Congress, which would restrict temporary categories, place quotas, which I will get into a little bit later.

So this is kind of the politics that have now enveloped U.S. immigration. But nonetheless, we have a projected need, as Bob said, for more technology workers, as predicted by the National Academy of Sciences and the Bureau of Labor Statistics, and a continued need especially for graduates with advanced degrees in science, technology, engineering, and mathematics. We

need for foreign workers).

³⁴ See generally Jocelyn Campanaro, *Emotions Run High as Senate Debates Immigration Reform Bills*, COLO. EMP. L. LETTER, Apr. 2006 (discussing the McCain/Kennedy and Cornyn/Kyl bills on immigration reform).

³⁵ See generally Mike Madden, *Immigration Debate Could Cut Either Way in Fall Elections*, GANNETT NEWS SERV., Feb. 2, 2006, at ARC (discussing the ongoing debate in Congress regarding immigration reduction and reform).

still see half of our graduates in those fields and from our institutions, who are foreign nationals.³⁶

Put on top of that competition from Canada, which is competing very well for foreign students now against the United States, also the UK, and Australia. These are countries, which are really marketing to foreign students, so that our educational institutions, which have depended on foreign students in graduate programs, now see it as more difficult. Combined with certain security restrictions, visa processing delays, and restrictive interpretations by U.S. Department of Homeland Security officials and border officials have started to discourage foreign students from coming to the United States, so that the actual number of applicants has dropped very significantly, and there, in fact, is a drop in the foreign nationals in those what I call STEM programs, science, technology, engineering, and math programs in the United States.³⁷

There is, in fact, a drop in those graduate programs; I think it was 3 percent in 2004.³⁸ We do not have the figures for 2005, but that is the picture. When we want to bring in individuals to the United States to supplement our work force, we have kind of an alphabet soup of temporary visa categories, and I put up a few here that are the most used and most popular to bring in individuals.

The one that has kind of garnered the most attention is the temporary worker category, the H-1B category. If you have not seen it in the paper, you will see it. It is on Lou Dobbs' lips every other night I think. This is a worker category. We bring in individuals in this category which require the individual to be working in a specialized field of study, requiring a particular degree, like engineering, for example, or computer science, and that they possess the appropriate educational credential.³⁹

It is used for many individuals in sciences and technology by universities and by private employers; it is widely used to bring in technology workers. But over time and especially since 1990 and especially since really more in this decade, there are increasing restrictions on this category so we have a quota. Representative Bruce Morrison, years ago in a bill, the Immigration

³⁶ See generally *Losing 20% of the Country's Doctoral Grads Cause for Concern*, THE BROCKVILLE RECORDER & TIMES (ONTARIO), Jul. 11, 2005, at A6 (discussing the decrease in graduate students in Canada).

³⁷ See generally David McAlary, *Experts Urge Easier US Requirements for Students, Scholars*, VOICE OF AM. NEWS, May 11, 2005 (discussing the decline in foreign student applications to U.S. graduate schools).

³⁸ See generally *Enrollment of Foreign Student in US Universities Picks Up*, THE PRESS TRUST OF INDIA, Nov. 7, 2005 (discussing the three percent decline in graduate enrollment in 2004 for American universities).

³⁹ See generally U.S. CITIZENSHIP & IMMIGRATION SERVICES, U.S., EMPLOYMENT CATEGORIES AND REQUIRED DOCUMENTATION (2006), <http://www.uscis.gov/graphics/services/tempbenefits/ecrd.htm> (last accessed Oct. 10, 2006) (describing the requirements for H-1B visa categories).

Act of 1990, pulled out of thin air a number of 65,000 for the H-1B category. He had no statistics to back it up, just thought it was a nice number.⁴⁰

Maybe that's all we need, so that became the quota for the H-1 category of new H-1B workers every year entering the United States. There is also a six-year limitation on the stay of these workers being put in place.⁴¹

There were wage and working condition requirements that were imposed. There were some highly publicized incidents, including one on "60 Minutes" where an entire or a company's IT department was outsourced to a company, which was largely hiring foreign workers.⁴²

Of course, some of them were simply in the United States on visitor visas, which probably was not a nice aspect to that reporting.

MR. CROW: Canadians among them.

MR. COOPER: Yes. But many of these were actually transferees. We will talk about the transferee category in a little bit, one of the issues was bringing over foreign nationals temporarily from an affiliate into the United States to perform some duties in the technology field. Some people did not understand the idea that when you bring somebody over temporarily, you do not necessarily payroll them on a United States payroll.

You often keep them for good ex-patriot administration, reasons on the foreign payroll, but when you are bringing somebody from India, it is obviously a lot less money you are paying them, so the perception was that cheap foreign workers were immigrating.

So wage and working conditions were implemented so that, at least, these workers have to be paid at least a prevailing wage in the area of intended employment and no less than an employer is paying U.S. workers at the same work site.⁴³

The fees that are required now for filing with the government for H-1 workers, now total nearly \$2,200 in filing fees, which, of course, when you compare it to legal fees, the bar is not doing well here.⁴⁴

⁴⁰ See generally Rommer M. Balaba, *US Opens 20,000 More Jobs for Filipino Professionals*, BUS. WORLD, Jul. 1, 2005 (discussing the Immigration and Nationality Act of 1990 and the H-1B visa category).

⁴¹ See generally U.S. CITIZENSHIP & IMMIGRATION SERV., U.S., TEMPORARY WORKERS (2006), <http://www.uscis.gov/graphics/services/tempbenefits/tempworker.htm> (last visited Oct. 10, 2006) (describing the limitations on the H-1B visa category, including period of stay).

⁴² OUT OF INDIA, CBS NEWS (2004), <http://www.cbsnews.com/stories/2003/12/23/60minutes/main590004.shtml>.

⁴³ See generally U.S. DEP'T OF LAB., U.S., OFFICE OF COMPLIANCE ASSISTANCE POL'Y, available at <http://www.dol.gov/compliance/guide/h1b.htm> (describing the labor and wage requirements for H-1B workers).

⁴⁴ See generally U.S. CITIZENSHIP & IMMIGRATION SERV., U.S., FORMS AND FEES (2006), <http://www.uscis.gov/graphics/formsfee/forms/i-129.htm> (listing fees for H-1B application and corresponding I-129 petition).

When the government charges more than you can charge on a case, this is a problem, and that doesn't even include getting your case adjudicated in a prompt fashion, which is called premium processing for an extra \$1000. So if you want to bring in a technology worker quickly, you are talking about in this category over \$3,000 just in filing fees with the government to bring in such a worker.

The limitation was obviously impacting our higher education and research institutions, so Congress did carve out an exception for them, from the cap so they do not suffer under that annual limitation. Extensions of stay beyond the six years became very important because our process of immigrating or allowing such individuals to migrate to the United States became very backlogged.

It was not unusual for somebody to run out of time on their temporary stay, while they are waiting for a Department of Labor agency to start looking at their case. For example, it was difficult around the country. If you are in New York, your green card might take seven years to get, five years alone at the Labor Department. But if you were in Denver it might only take a year-and-a-half. This was problem.

But in any event, Congress did finally allow for extensions of stay for these workers as employers seek their green cards for them, beyond the six years.⁴⁵ Also, Congress realized that these delays in the permanent residence process worked against many temporary workers here. They felt some workers entering under this category were trapped because of the processing times just to move from one employer to another.

So they allowed them to be portable, and there is some portability in the system now, so a temporary worker can switch employers as soon as a new employer files for the paperwork.⁴⁶

A temporary worker can switch employers as soon as a new employer files a petition for them; they do not have to wait two or three months.⁴⁷ Especially around 1999, 2000, 2001, we needed these people instantly.

And also, in the permanent residence process, if somebody is applying for permanent residence, are in the last stage, and they are waiting more than six months, they can change employers. So there are some provisions there that

⁴⁵ See generally U.S. CITIZENSHIP & IMMIGRATION SERV., U.S., HOW DO I EXTEND MY STAY IN THE UNITED STATES (2006), <http://www.uscis.gov/graphics/howdoi/extendstay.htm> (last visited Oct. 19, 2006) (describing how an H-1B worker can extend his or her stay in the U.S.).

⁴⁶ See generally U.S. CITIZENSHIP & IMMIGRATION SERVICES, U.S., QUESTIONS AND ANSWERS: CHANGES TO THE H-1B PROGRAM, available at <http://www.uscis.gov/graphics/publicaffairs/questsans/H1BChang.htm> (last visited Oct. 10, 2006) (describing the new changes regarding portability of H-1B workers in the United States).

⁴⁷ *Id.*

have helped these temporary workers, but again, most of them were limitations and burdens on employers.

Recent Congressional hearings and legislation involved, for example, legislation with a provision to increase the H-1B quota worker,⁴⁸ it had been increased for several back to about 195,000, and then dropped back down to 65,000.⁴⁹ Legislation to again increase the quota is, unfortunately, stalled in the Senate.⁵⁰

By the way, those visas get used up in two or three months from when the quota becomes available, and it is gone.⁵¹ Congress supplemented that with another 20,000 for the advanced degree holders from our institutions since our own employers are having problems finding technology workers from our own schools.⁵²

So Congress allocated another 20,000 visas for advanced degree holders from U.S. schools, and these are probably scientists, what I call the STEM students, but those visas also are exhausted in a few months.⁵³ It was clearly insufficient, but there have also been bills introduced to eliminate the H-1 worker altogether.⁵⁴ The L-1B is an example where you have global companies, and this is a visa that allows a company with operations abroad, commonly owned and controlled with the one in the United States to transfer individuals into the United States, either as executives, managers or especially the technology workers, what we called a specialized knowledge employee.⁵⁵

⁴⁸ See generally Ephraim Schwartz, *H-1B: Patriotic or Treasonous*, INFOWORLD, May 6, 2005 (stating Representative Chris Cannon as one of the sponsor's for a bill to increase the quota on H-1B visas).

⁴⁹ See generally Margaret D. Stock, *Immigration and Naturalization Law*, INT'L LAW., 2005 A.B.A 39 Int'l Law. 429 (discusses new legislation that dropped admittance of H-1B workers from 195,000 to 65,000).

⁵⁰ But see S. 2611, 109th Cong. (2006) (increasing the H-1B visa cap for skilled guest workers from 65,000 to 115,000 annually).

⁵¹ See Mae M. Cheng, Demand for Work Visas Near Ceiling, NEWSDAY, Mar. 6, 2000, at A57 (stating that the annual ceiling on visas reached four months into fiscal year); see also Eric Bangeman, 2007 H-1B Visa Limit Already Reached, Ars Technica, June 2, 2006, <http://arstechnica.com/news.ars/post/20060602-6971.html> (last visited Oct. 19, 2006) (stating that the fiscal year 2007 quota of 65,000 visas was reached four months before the October 1 start of FY 2007).

⁵² See H.R. 4818, 108th Cong. (2004) (enacted) (incorporating the H-1B Visa Reform Act of 2004 which provides for a 20,000 cap exemption for workers with a masters degree or higher).

⁵³ Compete America, July 31, 2006, http://www.competeamerica.org/news/alliance_pr/20060731_cap.html (last visited Oct. 26, 2006) (explaining that the 2007 cap on advanced degree H-1B visas was reached more than two months before the beginning of the fiscal year).

⁵⁴ See H.R. 1325, 109th Cong. (2005) (proposing an amendment to the Immigration and Nationality Act to eliminate the H-1B visa program for foreign workers).

⁵⁵ Peng & Weber U.S. Immigration Lawyers, <http://www.greencardlawyers.com/workvi->

That is what it is being used for primarily in terms of technology workers, the specialized knowledge individuals holding knowledge that is supposed to be specific to the company that they are working for abroad, bringing in some information perhaps about a specific software system or something similar.

And so, again, there was concern about the off-shoring phenomena and foreign nationals being brought in to displace U.S. technology workers in a manner which had become awash with U.S. technology workers after the dotcom collapse.

There was much more scrutiny of L1 petitions for these technology workers who had really specialized knowledge of the company, or is this something generally available in the marketplace?

Probably Bob has seen these kinds of requests as evidence from the Government. "Please give us a list of all your workers in your company and all their job descriptions, and show us how this particular person has some specialized knowledge." It seems pretty unreasonable.

Increased fees, again, in this category as with the H-1 where they implemented what is called an "antifraud fee."⁵⁶ There were concerns of fraud and misrepresentation in these temporary worker applications, so that a \$500 application was implemented when you want to bring somebody in so they can create a pool and hire and investigate workers.

I explain to my clients you need to pay that \$500 fee to the Government so they can investigate you. That is the idea here.

There have been investigations, and certainly, it is not that these programs are without cases that do involve fraud and misrepresentation, but again, it is kind of the overall political reaction, and it also comes down to limitations on companies who bring foreign technology workers into the United States not to work internally using their specialized knowledge but to then contract them out as contract workers.

Congress has now prohibited this, saying that the worker cannot be seconded to some other employer, cannot be contracted out, and under the supervision or control of that third-party employer. They still have to be working under the control and supervision of the U.S. company.⁵⁷

Senator Grassley, as well as Senators Dodd and Johnson from Connecticut, have rallied against the L category.⁵⁸ They want to put a quota on it of

sas/L-1visas/FAQsL-1B.html (last visited Oct. 20, 2006).

⁵⁶ Consolidated Appropriations Act, 2005, H.R. 4818, 108th Cong. Division J-Title IV-Subtitle B-Sec. 426 (2004).

⁵⁷ See U.S. Citizenship and Immigration Services, <http://www.uscis.gov/graphics/how-doi/h1b.htm> (last visited Oct. 20, 2006) (explaining that H-1B aliens may only work for the petitioning U.S. employer and only in the H-1B activities described in the petition).

⁵⁸ See USA Jobs Protection Act of 2003, H.R. 2849 §426, 108th Cong. (2003) (proposing restrictions on L-1 visas; sponsored by Rep. Nancy Johnson); see also USA Jobs Protection

30,000.⁵⁹ I can imagine if that quota comes into place and later on Blackberry would like to transfer a senior executive in the United States, they'll say, "Sorry, no visas." That's a good answer.

Also, applying the wage and other working conditions requirements that apply to H-1B workers but those on to L1 workers, let us see, now, we want to post that senior executive's wage while we are at it in this process, too. That is a good idea.

There are these kinds of things in terms of legislative activity. These bills largely are introduced more for political reasons. Dodd and Johnson were very concerned that a lot of back office operations from insurance companies were being sent from Connecticut overseas, and this was kind of a political reaction.⁶⁰

But nonetheless, this is another category seen as taking jobs from U.S. workers, facilitating the off-shoring of positions from the United States to other countries. So it is under attack as well.

There is a treaty trader investor category for foreign-owned companies that, if the United States has a treaty, bilateral investment treaty, or treaty in trade and commerce with another country, allows specifically for this particular visa category.⁶¹

Yet, it has limited use for technology workers. Either managers or executives or owners or what they call key persons, can be brought in under this visa category, and key persons are the kind of people who are supposed to come in and just help transition or move some knowledge or process over, and then the U.S. worker is supposed to take it over.⁶² That's the concept.

That does not really fit well with the idea we need this technology for some period of time. That has been a problem, and it is also a category that we see being used or being limited when the United States has, you know, got a bone to pick with another country maybe on trade issues.

Act of 2003, S. 1452, 108th Cong. (2003) (proposing restrictions on L-1 visas; companion legislation to H.R. 2849 sponsored by Sen. Christopher Dodd).

⁵⁹ See Specter Budget Reconciliation Plan, <http://www.numbersusa.com/PDFs/Specter-reconciliationSummary.pdf> (last visited Oct. 20, 2006) (reporting that Sen. Grassley voted as part of the Judiciary Committee in favor of the Feinstein Amendment which cut the number of additional H-1B visas from 60,000 to 30,000).

⁶⁰ See generally Daniel W. Drezner, *The Outsourcing Bogeyman*, FOREIGN AFFAIRS, May 2004, 4, available at <http://www.foreignaffairs.org/20040501faessay83301-p30/daniel-w-drezner/the-outsourcing-bogeyman.html> (describing Sen. Dodd and Rep. Johnson's sponsorship of the USA Jobs Protection Act to prevent U.S. companies from hiring foreign workers for positions when American workers are available).

⁶¹ See U.S. Dep't of State, http://travel.state.gov/visa/temp/types/types_1273.html (last visited Oct. 20, 2006) (explaining the requirements and availability of E-1 and E-2 visas for Treaty Traders and Treaty Investors).

⁶² *Id.*

For example, years ago when we were worried about U.S. automotive parts sold in Japan and the trade barriers to those parts, all of a sudden the U.S. consuls in Japan seemed to have a problem with all these E workers coming over, Japanese workers coming to the United States.⁶³ Somehow they needed to cut back on that.

But also the E category is looked at closely, in part, because of the quota on the H-1B category or restrictiveness of the use of the L category; these foreign-owned companies will turn to the E category, you know, as a substitute.⁶⁴ Some consuls feel that is a misuse of the category where these might be people who ought to be classified in another visa category.

But nonetheless, we see a more restrictive policy placed on this because they see it as a way that some employers wish to avoid the wage and working conditions placed on the temporary worker category while this is not really the case.

So we see, again, a kind of increased scrutiny, kind of restrictive viewpoint on this category by some consuls. For example, in Japan or in Korea, the U.S. consuls are particularly concerned about this.⁶⁵ Then we have our free trade visas, and I have a few of them up here. The TN-1, the Trade National 1, applies to Canadian citizens entering into the United States, Mexican citizens coming under the TN-2 under the North American Free Trade Agreement.

This, again, is kind of like the H category of professionals entering the United States in professional positions, and it is used pretty liberally for technology positions. For example, engineers, computer systems analysts, a category of scientific technicians, technologists, which is a category which you would use for somebody with a two-year degree, where the United States really has a deficit in training programs and a lot of technology areas in the two-year period, this is a category that can be used for this.⁶⁶

But nonetheless, it is a category that, unfortunately, is looked at very closely and scrutinized very carefully, the scientific technology and the sci-

⁶³ See generally *U.S.-Japan Trade Agreement Has Not Met Objectives*, AUTOPARTS REPORT, July 5, 2000, available at http://findarticles.com/p/articles/mi_m0UDO/is_1_14/ai_63676827 (discussing the continuing effect of Japanese trade barriers to the U.S. automotive industry).

⁶⁴ See Dan E. White & Anton F. Mertens, *The E Visa Option for Foreign-Owned Employers*, FINDLAW, <http://library.findlaw.com/1999/Sep/1/131160.html> (explaining that the E visa category provides an alternative to the H-1B visa category).

⁶⁵ See generally COMMENTS ON THE PROPOSED REVISION OF VISA REGULATIONS, GOVERNMENT OF JAPAN, July 29, 2003, <http://www.mofa.go.jp/region/n-america/us/visa0307.pdf> (discussing the Japanese government's concern over the United States' restrictive visa regulations after 9/11).

⁶⁶ See U.S. Dep't of State, http://travel.state.gov/visa/temp/types/types_1274.html (last visited Oct. 24, 2006) (describing the TN visas for Canadian and Mexican NAFTA professional workers).

entific technician category. There is no wage or working condition requirement for Canadians coming in under the TN, so it is pretty flexible.⁶⁷ Canadians can come into the port of entry, and apply for their visa. There are some other categories here I put up, kind of comparable to the TN, and, of course, the O-1 is extraordinary ability for the people you look at and you say, "Oh, my gosh, look at that. What an extraordinary person." That is also a temporary category.

Permanent residency for technology workers is achieved like most employment-based workers, through a process of first showing that they are not displacing United States workers through this labor certification, and then in a couple of steps, the employer does help the individual to seek permanent residence.⁶⁸

Our quota, including by the way the dependence of the workers entering, is a total of 140,000 employment-based immigrants a year for skilled-based immigrants.⁶⁹ If you take out the number of dependents charged against that, maybe you are really affecting the entry of about 80,000 workers into the United States in all occupations, not just scientific and technology.⁷⁰

So as Bob pointed out, the Canadians have immigration goals. We have immigration quotas so that's a problem somewhat. The labor certification process, which became recently electronic and on line by the Department of Labor, includes a number of steps and just kind of showing you the recruitment that a U.S. employer has to go through.

If they are unsuccessful in finding U.S. workers by going through all these steps, then they file an application and wait, and the Department of Labor can approve that and move on to the permanent residence process. I mentioned there is some portability that is available now.

Those who are extraordinary or whose immigration is deemed in the national interest, can change employers or jobs anytime, and that's good, as there is flexibility there.⁷¹ Others have to wait at least six months after they

⁶⁷ See Hammond Law Group, http://www.hammondlawfirm.com/tn_main.htm (last visited Oct. 24, 2006) (explaining that the prevailing wage rules of the H1B program are not applicable to TN status holders).

⁶⁸ See U.S. Citizenship and Immigration Services, <http://www.uscis.gov/graphics/howdoi/immstatemp.htm> (last visited Oct. 24, 2006) (explaining the process by which a foreign national may apply for permanent residency in the U.S. based on employment).

⁶⁹ See U.S. Dep't of State, http://travel.state.gov/visa/frvi/bulletin/bulletin_2757.html (explaining that the worldwide level for annual employment-based preference immigrants is at least 140,000) (last visited Oct. 24, 2006).

⁷⁰ See generally Homeland Security, <http://www.uscis.gov/graphics/shared/statistics/archives/fy94/722.htm> (last visited Oct. 24, 2006) (explaining that the number of employment-based immigrants between FY 91 and FY 92 by increased from 59,525 to 116,198).

⁷¹ See U.S. Citizenship and Immigration Services, <http://www.uscis.gov/graphics/howdoi/immstatemp.htm> (last visited Oct. 24, 2006) (explaining that first preference is given to aliens with extraordinary ability, outstanding professors and researchers, and certain multina-

get to the end of the process to be able to change employers so they are not trapped with a particular employer during the process.

The other thing I need to explain is that we have some quota issues, and like this slide coming up, it is a very slow problem. But nonetheless, the impact on technology workers is that it discourages individuals.⁷² They think they can be here but if they have to wait seven or eight years to become a resident of the United States, that discourages them from coming, so we have to be concerned about those quotas as well.

And that is my presentation for now.

DISCUSSION FOLLOWING THE REMARKS OF ROBERT CROW AND SCOTT F. COOPER

MR. UJCZO: Thank you, Bob and Scott. We will now turn to the audience for questions. Keeping the trend, Professor King?

DR. KING: I had a question for Mr. Crow. I heard that a lot of the individuals who graduate in science from Waterloo University end up at Microsoft and I wondered – can you hear me?

MR. UJCZO: Yes.

DR. KING: I wonder what your thoughts are on incentivizing the growth of our scientific workers. In other words, you talked about the problem, but what type of incentives do you think we have to incur to try to get people into this – we recognize the need; want to do something about it.

You are the doctor. What do we do about it?

Is that pretty direct?

MR. CROW: That is pretty direct. You have a supply and a problem a couple of times and probably a demand side problem as well, but let us think about the capacity of our institutions to increase their enrollment. This is in Canada where the institutions are publicly funded subject to price caps.

I mean, we have a really good old-fashioned Soviet system of funding our universities. It is right down to the funding formulas. We have, in fairness, made some great strides in freeing the institutions in critical areas to charge a little bit more, to be able to expand their enrollments.

And a number of our major institutions have been able to do that; just the flexibility to be able to charge higher tuition and, therefore, put some of that extra money to work has been important. Incremental public funding has gone into those institutions to assist. The most difficult problem is the professional in both countries.

tional executives and managers).

⁷² See generally Gary S. Becker, *Give Us Your Skilled Masses*, WALL STREET JOURNAL, Dec. 1, 2005, at A18 (explaining that the lack of permanent visas discourages aliens from assimilating into American society).