

THE BROOKINGS INSTITUTION

FALK AUDITORIUM

BRIDGING THE IMMIGRATION DIVIDE:
FORGING A BIPARTISAN POLICY ON VISAS FOR STEM GRADUATES
Washington, D.C.

Thursday, March 26, 2015

PARTICIPANTS:

Opening Remarks:

THE HONORABLE DAVID DREIER
Distinguished Fellow
The Brookings Institution

Panelists:

WILLIAM ANTHOLIS
Director and Chief Executive Officer, Miller Center
University of Virginia

HIRAM CHODOSH
President
Claremont McKenna College

DANIEL COSTA
Director, Immigration Law and Policy Research
Economic Policy Institute

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

AMY NICE
Executive Director, Immigration Policy
U.S. Chamber of Commerce

NEIL RUIZ
Senior Policy Analyst and Associate Fellow
The Brookings Institution

Closing Keynotes:

FELICIA ESCOBAR
Special Assistant to the President for
Immigration Policy
The White House

PARTICIPANTS (CONT'D):

BARRY JACKSON
Managing Director, The Lindsey Group
Former Chief of Staff, Speaker John Boehner
Former Assistant for Strategic Initiatives and
External Affairs, President George W. Bush
Strategic Advisor, Brownstein Hyatt Farber Schreck, LLP

ZACHARY COURSER
Associate Director, Dreier Roundtable
Claremont McKenna College

* * * * *

P R O C E E D I N G S

MR. DREIER: Good morning. Twenty-three years ago this fall, very famously, there was a guy standing between Dan Quayle and Al Gore on the stage. He was Ross Perot's vice presidential running mate. Admiral James Stockdale famously said "Who am I and why am I here." I think it is appropriate for me to answer some of those questions.

My name is David Dreier. I had the privilege of representing my home town in California, Claremont, California, the home of my Alma mater, in the Congress for nearly a third of a century. I am very, very proud of that fact. I'm excited that I moved from the Midwest and went to California.

I was headed to the East Coast. My grandfather was a Princeton Alumnus. I was set on going to Duke. My father said to me I really want you to go to my Alma mater. I headed to Claremont and fell absolutely madly in love with this place. It is a very special and unique place.

I'm pleased to be here with the President of Claremont McKenna College, Hiram Chodosh, who is the progenitor of the Dreier Roundtable.

I had the opportunity to be encouraged by a wide range of people when I was at CMC into public service. People were encouraging me to pursue public service, including one of Hiram's predecessors, the founding President of Claremont McKenna College, who ended up as my campaign chairman when I first ran for the Congress.

I lived in the dormitory, actually. I had just gotten my graduate degree, and I was 25 years old when I won the Republican nomination. I should say while I was totally qualified at the age of 25, I have yet to meet another 25 year today who is as qualified as I was at that juncture.

I was able to build support based on this education that I had at CMC. It was a real thrill for me to be able to go from the dormitory -- I nearly lost the general election, but two years later I was able to run, and I came to Washington, D.C.

I joke that three decades ago, I came to Washington to change the world. Now, I just try to leave the room with a little dignity, which sometimes can be a challenge.

There are a wide range of issues that I immersed myself in when I was here. President Chodosh has this proclivity for alliteration, so when thinking about the Dreier Roundtable, I came up with the issues that have been high priorities for me.

They are international trade, immigration studies, institutional development, the development of Democratic institutions here and around the world, and information flows, those four "i's."

We decided that we wanted to pursue those. This is being done by a wonderful team of people led by Ken Miller, who was an intern in my office in 1983, and Eric Helland -- by the way, we are creating the first interdisciplinary effort at Claremont McKenna College between the Economics Department and the Government Department -- Zachary Courser, who is responsible for putting all of this together, and overseeing a group.

We are going to have Fellows, interns, and scholars, and we have three students who worked very hard to put this report together under Zach's leadership. Henrietta Clorie and Michael.

I have yet to see the finished product. I've been told I can't see it. Several people in the room have seen it, but I'm told I can't see it yet. I am going to be able to see the finished product. I am looking forward to it.

The issue that we are addressing here today is a very important one. I also want to express my appreciation to Dot Buchanan, who is in the back of the room, who has worked very hard to make all of this happen as well. Of course, my friends at Brookings.

Just before I left the Congress, there were a number of people with whom I spoke. They said Brookings is the place for you to be. I said a right wing reactionary wing nut like me at Brookings? [Laughter] There are some people who still scratch their heads as they look at that. It was a natural fit for me.

Bill Antholis, my great friend, who is now the new leader of the Miller Center, where all things, Executive Branch and presidential, are happening, was the Managing Director for a decade here, working closely with my friend, Strobe Talbott, who just got married. We want to say congratulations to him. He is still to this day on his honeymoon. He is coming back tonight from his honeymoon.

I met with these people. They convinced me that associating with Brookings would be very important. The number one most respected think tank on the face of the earth. I'm privileged and honored to be associated with them, and I'm pleased that our Roundtable is part of the Brookings' family now.

We partnered with the launch of the Roundtable in Claremont last November 7, and this is our Washington launch of the Roundtable, focusing on these issues.

Obviously, the second of those "i's," the issue of immigration is a very important one. That was the thrust of our meeting there. Very specifically focusing on STEM issues, science, technology, engineering, and math, looking at H-1B Visas, an issue which I immersed myself in in the 1990s, that is one that I think is important and

critical for our economic growth.

As we look at the questions that surround H-1B Visas, one of the most pressing ones, and this will be discussed in our panel, is this question of ensuring that American citizens are not losing job opportunities to people who have come into this country.

I do believe that we need to have, as Neil Ruiz says, the best and the brightest here in the United States. We need to continue to be a magnet that draws very, very capable people here.

I come from California. One of the top industries in the State of California is the tech industry. We know it is blossoming all over here and Northern Virginia and a wide range of other places throughout the country.

From 1995 forward, while the tech industry has been responsible -- it comprises four percent of our economy -- it has been responsible over this couple of decade period for 20 percent of the gross domestic product growth in the United States.

By virtue of that, ensuring that our comparative advantage globally keeps us on the cutting edge is an important thing, and that is why I have long been a proponent of ensuring that whatever the structure is, that we are able to not take jobs from qualified Americans, but at the same time ensure that businesses in this country have access to the best potential employees they can have.

There are lots of creative ideas that surround this. There are a lot of misunderstandings about this issue. Because I had been a supporter of H-1B Visas, I went through political campaigns in which people said that my sole goal was to take jobs from the American people. That was what was driving me. Again, nothing could be further from the truth, but there is this mischaracterization that is out there.

I think it is important for us to shatter myths, address these questions. Congress is debating this issue now. We know the challenge of trying to deal with the overall immigration agenda is not an easy one. It's been painful for many people for many years. I believe that we today are going to at least begin to take some steps that will move things forward.

I want to again express my appreciation to all the people who have been involved in this. This is something that is very near and dear to me. I believe it is the beginning of what will be very important work on this and a wide range of other issues.

I'd like to call up my friend, Bill Antholis, and the members of the panel. I'm going to sit down so that I can learn something. Thank you. (Applause)

MR. ANTHOLIS: While my fellow panelists are getting miked up, I'll do a little throat clearing here and start by thanking David and the entire team from Claremont McKenna, particularly Zach for having helped pull this together, not only on this end but on the California side back in November where the first Dreier Roundtable was held and launched at Claremont McKenna.

David didn't do this as much as he might have, but I think he was appropriately modest. I don't feel I have to be so modest for Claremont McKenna. Never having been there before, it is an extraordinary institution in and of itself, but then it sits with these other colleges.

On your next trip to Los Angeles, don't fly into Los Angeles, fly into Ontario. The 30 miles takes about an hour and a half, I learned from my visit out there in November.

MR. DREIER: Just don't drive at the time you did.

MR. ANTHOLIS: Don't drive at the time I drove, exactly, which is any

time between 6:00 a.m. and 7:00 p.m. (Laughter)

When you get there, it is well worth the journey no matter how long it takes. It is like Oxford in Southern California. You have these independent colleges all connected to one another where students go back and forth and take classes. Claremont McKenna is a jewel in the crown, if not the jewel. It's an extraordinary resource of cutting edge academics but with a wonderful small town feel that would have made Mr. Jefferson happy.

I come to you today from the University of Virginia, having spent 10 years here at Brookings. Jefferson's idea of an university that was connected to public issues and public values is very much alive in Charlottesville, but it's really alive in Claremont.

I'm delighted for the partnership and for David's friendship over the years, and for the whole team from Claremont McKenna, but particularly Zach Courser, who is both a Claremont McKenna graduate and an University of Virginia graduate, I'll point out. We're delighted for the partnership.

Let me start by introducing the panelists, and we will get right into the conversation. We will run this as a conversation and we will turn to you all in the audience pretty quickly.

To my immediate right and my near right in a number of different ways is Amy Nice, the Executive Director for Immigration Policy at the U.S. Chamber of Commerce. She comes to this set of work from a career in law, but with always an eye to the public interest and public issues. We are delighted to have her with us today.

Daniel Costa, also a lawyer by background and training, but in his current work he is the Director of Immigration Law and Policy Research at the Economic

Policy Institute.

Both of these wonderful professionals tend to work in a place focused on economics and economic activities, and bringing a legal perspective into that is really quite important and valuable.

To Daniel's right is Hiram Chodosh. Hiram and I have known each other the longest, I think, of anybody in this room. We met when Hiram was in law school and I was getting my doctorate. He is the President of Claremont McKenna, the fifth President of Claremont McKenna, having served in a number of institutions and law schools across the country, and really has a big vision for a small but powerful place.

To his right, Neil Ruiz, who was my colleague here at Brookings for many years in a couple of different capacities, starting in the Global Economy Program and being in the Metropolitan Policy Program now.

I have learned a great deal from Neil about these issues in particular and more broadly about the metropolitan economy and how it connects to the global economy. So much so that when I was in India a few years ago, I actually waded into this issue with a couple short essays, and since then, Neil has gone back to India and completely outdone me and told me what I didn't know, which is a lot.

I'm going to start with Neil to have him frame for us -- this set of issues that is out there has been out there obviously for some time. In the last several years, even three years ago when I was in India, the President of the United States in his State of the Union Address in 2012 stood up and talked about outsourcing. I happened to be in South India at the time.

The technical details of student Visas, particularly for developing a STEM economy, and H-1B Visas, that is tech worker Visas, is a pretty complicated one. Can

you just give us a sense of where we are in the debate, what is being contested, and what is out there as policy pathways forward right now?

MR. RUIZ: Thank you very much for having me. The first thing is I want to contextualize it. The United States is the number one destination of foreign students in the world. We have the top institutions. Most rankings say the U.S. institutions are there. Students want to come here.

The world economy is growing. China, India. Where do they want to go? They want to come to the U.S. to study, for undergraduate or graduate studies. We have also a great entrepreneur environment in the U.S.

The value of foreign students to the U.S. economy is great. In the short term -- we had a recession in 2008, and a lot of state universities were cash strapped, and foreign students became kind of paying full freight, full tuition, so they were able to get them in the short term to help boost the institutions.

In the medium term, they offer labor skills in the labor market, and in the long term, the alumni network that the U.S. has is great. They are basically economic ambassadors that connect U.S. economies around the globe to facilitate trade on international exchanges.

When it comes to retaining foreign students in the U.S., it's really complicated. We have an immigration system that is quite archaic. Just to take you through what a foreign student after they graduate, they get an F1 Visa, which there is no limit on foreign student Visas in the U.S., but they have to get work authorization, which is called Optional Practical Training, OPT. They usually get this right before they graduate. It gives them 29 months if they have a STEM degree to work in the U.S.

After that, they have to get what is called an H-1B, this is the

employment based Visa. The Government opens the line for this Visa next week on April 1 on a first come, first serve basis.

Employers have to vie for these Visas, and in the last three years, since our economy is doing well, they have run out in the first week, and they actually had to do a lottery in last year's. I think this year, it will be another lottery as well.

If they do get an H-1B, then they have to get a Green Card, which allows someone to stay permanently and work in the U.S. It can take 10 plus years to get a Green Card once you are sponsored by an employer. This has to do with the fact that Congress set a limit, seven percent of any country can get a Green Card per year.

That is a big backlog for Indian and Chinese students. They are the number one and number two senders of foreign students to the U.S. They are really big countries. If you come from Luxembourg, you are quite lucky because it is a small country, there is no competition for that cap.

That is the system we have now. The good news, at least we thought was the good news since 2007, is bipartisan agreement on this issue. They had to fix this back in the Senate in 2013. It was passed in the Senate. One method was to give foreign students, especially from the good universities, a direct track towards Green Cards, but instead of having to go through all the OPT H-B1.

What we have now, it didn't pass, like in 2007 when George W. Bush tried to pass it as well, we come up with Band-Aid solutions. These are executive actions. George W. Bush expanded the OPT Program for STEM students at that time to 29 months so they could work, students who graduated. It gives them several chances to get an H-1B, to enter the lottery, to enter the race.

As President Obama in November said, he plans to expand this program

again even more. We don't know exactly the details there.

What has happened since 2008 is it has created this gray market, because of that expansion and because we have loose regulations on what schools can accept foreign students, we created a lot of schools that flourished, that accept foreign students, that give them a Visa, but they are actually working. They are not really real students. That has flourished and a lot of schools have closed down.

The Band-Aid solutions that we have are not ideal. They are suboptimal. In order to fix this, Congress really has to work together with the President, and they do agree on trying to retain the foreign students to have a direct path, and to also stop the gray market as well.

I think that's where we are at. I think there is a bill. Senator Hatch in the Senate has dropped a bill with Senator Klobuchar, a Democrat from Minnesota. That is a starting point. There are a lot of details that are probably problematic to a lot of people in this room. I think that is a starting point. We haven't seen something in the House. Then we have the executive action that President Obama had. That is all we have right now.

MR. ANTHOLIS: That is really helpful. From Neil to Amy. Amy, last night, we were talking about things. You had a comment that was really quite interesting that often doesn't get said enough in Washington. We often talk about gridlock, the breakdown between the Executive and the legislature. On this issue, all of that seems to apply. You had a very interesting observation about the difference between consensus and compromise.

I am just sort of wondering on this issue, where do you see opportunities for consensus, where do you see opportunities for compromise, and to stick with the alliteration that Hiram is so famous for, where do you see the conflict being endemic and

sustained?

MS. NICE: I think the thing is on the surface, it seems like there is consensus, and as Neil says, it seems like there is bipartisan agreement. It doesn't take much conversation for those of us who are in the arena trying, as Teddy Roosevelt said, trying to actually work with both parties and different interest groups to try to get something done, that when people talk about finding common ground, it is really not the focus, it seems to me, that we should find common ground, because there is not very much common ground.

We have to be committed to solving this problem and figure out where we can compromise. I think that there are many different layers to the issue, as Neil was kind of framing it. As David said, if you look at it from the standpoint of our national interest, if our economy has grown 20 percent in the last 20 years based on the expansion of companies and activity in the economy that relate to technology and innovation.

We also have to consider economists have looked in that period of time, perhaps 10 to 20 percent of our growth in GDP is attributable solely to the fact that foreign born science, technology, engineering, and math students have come and remained in the United States.

When you are looking at it from the perspective of businesses and employers who are actually on a talent search and want to fill positions in the United States, and go to U.S. universities, accredited U.S. universities, and are recruiting, if you're looking for people at the graduate level, Master's and above, somewhere around 40 percent of all of the people you interview in a science, technology, engineering, or math field are going to be foreign born students.

My employer members of the Chamber, they want to hire the person they think are the best fit for their organization. On average, it might be 40 percent of that time that person happens to have been a foreign born student in those universities where they make their regular efforts to find human capital, the human talent, for their organizations.

I think one of the ways we could try to move forward to find what are the areas that we can compromise on, look at where different viewpoints and different constituencies, one is employers, we know we are not the only viewpoint, but one viewpoint is the reality on the ground for employers, what is it that we must have in order to create and retain jobs in the United States. That is one perspective.

What are the key elements that employers see. Then we should look at different perspectives. What are the key elements that different groups, different viewpoints have, and we have to sit down with an idea of we're going to solve the problem, not we're going to find common ground.

I think that could be a starting point for trying to actually solve the problem.

MR. ANTHOLIS: So that I understand that better, let me kick it back to you and make sure I'm getting it right. Tell me if I've got this right. You would say there is common ground that most people would agree that we would want to have a system where the next Andy Grove or Vinod Khosla, highly skilled, high level of education, wants to come, wants to stay, wants to build a business that stays here and creates jobs. There would be common ground for that. There would be a consensus on that.

Where it starts to break down and we have to look to compromise is as a general matter, employers won't know who that person is going to be when they come

and walk in the front door. We have to have an expansive enough pool of entrants, while not knowing all the outcomes, will they stay or will they go, how high will their skills be.

Since we will never know the details of it, we will probably have to compromise at some point to meet that demand.

Do I have that right?

MS. NICE: I think so.

MR. ANTHOLIS: Daniel, is that right or wrong, or would you draw the lines differently?

MR. COSTA: Two quick points come to mind. First, bipartisanship in the context of this policy debate is virtually meaningless. There is bipartisanship on different sides of the issue. There is the bipartisan I-Squared bill, and there is the bipartisan driven Grassley bill.

MR. ANTHOLIS: What is the I-Squared bill?

MR. COSTA: That is what Neil was talking about from Senator Hatch and Klobuchar that would increase the number of H-1Bs, would uncap the number of H-1Bs that could go to foreign students, graduates, but not include any protections for U.S. workers, any new wage rules, the sort of improvements that I think we need, and that a bill like Grassley's would bring in.

That is one point. The second point is -- Neil did a good job framing the issue, but I don't think we have stated what the problem is yet. The premise that I'm getting from the fact that we are having this convening is that we definitely need to keep more foreign graduates in the United States.

If that is the premise, it should be stated clearly, but if it is, I think it assumes a couple of things. Either it assumes that we have labor shortages in the STEM

fields that we need to fill. I think that is a contested issue, and I would push back on that, and I'm happy to talk more about it.

Or it assumes that having more foreign STEM graduates stay in our labor market is a good thing, and just a general good, and I'm not going to make the argument, but that seems like that would be one of the arguments.

That then leads to me asking are foreign STEM graduates actually leaving the country. I'm not sure there is evidence that they are. Some of the best research on this is from Michael Finn who looked at the stay rates of foreign doctorates in science and engineering, about two-thirds are here after 10 and 16 years.

Are they really leaving? The last thing I'll say is Neil's new blog had a really interesting point about how employers are using the H-1B. This is from 2010. About 26,000 of the 85,000 H-1Bs actually went to people who were F1 students who graduated. That means 20,000 are set aside for just them, which means only 6,000 went to the regular cap.

Why aren't more F1 students staying in the country on H-1B? That's because employers are choosing not to hire them, and employers are choosing to hire people with degrees from abroad. They could hire more of them if they wanted to, but they are not. That tells me that employers are preferring people without U.S. degrees for some reason. Is that for wages, is it something else?

There is a policy change there that the Administration can make or Congress might have to make, where they could prioritize U.S. graduates under the H-1B Program.

MR. ANTHOLIS: Just to stick with that, one of the first things you said on how we framed the conversation today and whether or not there is a labor shortage

for highly qualified workers.

I guess to go back to where I thought maybe there was consensus, the idea that whether or not there is currently a job for someone, the idea of the high skilled person who will stay and not just work in a job but eventually build a business and stay, does that factor into the conversation?

Can the economists that you work with frame out both what labor demand is and what a skill's infusion from abroad might look like, or am I talking about two different things that really shouldn't be dealt with in the same conversation?

MR. COSTA: No, I think there are two easy things that can be done. I think there should be some part of the Government that is examining where labor shortages are on an ongoing basis and setting those out and seeing if there is a national labor shortage where you can't get workers who are in the U.S. by raising wages alone, then maybe you have some sort of streamlined access for workers in those occupations.

The other thing is you just set up a fair system that balances the needs of employers and the U.S. workforce, and that balance has a couple of really simple elements. That is you recruit U.S. workers, do real sort of recruiting, and require that you offer a fair wage, at least the average wage, I think, in high skills, maybe in the 75th percentile wage, and then you require employers to hire equally or better qualified U.S. workers.

That is not an easy thing to regulate in the high skilled area. In the low skilled area, it's a lot easier. In the high skilled area, you can do it in a way that is differential to employers, because who is an equally or better qualified worker? Somebody from Harvard with a Master's in computer science and three years of experience or somebody from San Jose State with a Master's in computer science and

eight or nine years of experience.

That is a close call. You have to sort of let employers do that. You can get rid of the egregious cases with a rule like that, and you can also have a private right of action for U.S. workers and have a really high burden of proof, a clear and convincing standard, and with that, you won't have the courts being flooded with frivolous cases.

That sort of sets up the balance, as I see it.

MR. ANTHOLIS: Amy?

MS. NICE: People can come to the table with very different views of the world, but we have to figure out a way to actually solve the problem. The business community very much does not support private rights of action.

I challenge anybody in this room who is employed to go to your employer and say I think that my compensation should be in the 75th percentile of the occupational compensation, regardless of how much experience I have, where I went to school, and how many years I've been working with the specific skill set that you need.

That is not how it works in the real world, by any stretch of the imagination. You can't have the Government saying employers who are hiring for their businesses have to pay a wage that is disconnected, untethered, to what they pay American workers.

When we have companies who are recruiting in that talent search to fill a job, they are hiring Americans and they are hiring foreign workers. U.S. companies going to U.S. campuses are not seeking out foreign students.

I would say the data that Neil has in his blog about how many foreign students got in under the H-1B cap doesn't reveal that employers aren't hiring U.S. educated people, it is indicating that the cap is throwing out a lot of employers who are

filing for U.S. educated people.

In addition to the fact that we have had a few years recently where the cap is met in the first week. The caps that Congressman Dreier passed with his colleagues. I guess you weren't there in 1990, I'm not sure.

MR. DREIER: Oh, yeah.

MS. NICE: Oh, yeah. Okay. We haven't changed the caps since 1990, but come to find out our economy has changed and grown.

MR. DREIER: We tried to raise them.

MS. NICE: They were raised temporarily for a three year period in there. The cap has been met in the H-1B category every year since 1997, before the end of the fiscal year, except for the three years when it was raised and never met, because it was raised beyond -- the drive for the numbers wasn't tied to the cap, it was to the economic needs.

That doesn't mean that we shouldn't have a cap. We get it. A cap means there's a limit. If the cap is met every year, certainly that indicates there is a disconnect with the demand, and I understand the point that we should look at what is actually driving the demand.

Here's an example of we're not talking about solving the same problem. If we want to figure out a way to either come up with policies that the agencies can implement or what Congress should do, because a lot of these things, the agencies don't have the authority to fix, we have to maybe come up with sort of bite size morsels of different parts of the puzzle that need to be addressed.

MR. ANTHOLIS: Hiram, I have learned pretty quickly in my two and a half months working at the University that universities often find themselves at the

intersection of important public policy issues, and this is clearly one, particularly with the rise of foreign students, both for bringing in extraordinary talent, big numbers, hard cash dollars.

It is a great business in a number of different ways and one of the leading export businesses the United States has now.

Yet, it also draws universities into conversations not just about people, but about technology and national strategy for where we are investing our assets and resources.

When you come to this issue, both from the perspective of research and the perspective of personnel, not just students but faculty, how do you see this? Does it make sense as a conversation, are the levels of numbers for these kinds of Visas, do they feel right? More broadly, does it feel like it connects to a strategy?

MR. CHODOSH: The answer is no, it doesn't. Not to minimize the kinds of problems that are in the front of Amy's desk, not to minimize that at all, obviously, there are questions of labor shortages, and it does seem difficult to manage the problem on a temporal basis because often you have a shortage, you try to supply an educational stream to that shortage, and you are off cycle because every educational stream that you start upstream takes at least several years to get downstream.

I don't want to minimize those immediate political problems for what Washington needs to deal with in terms of how to structure and streamline some of our immigration processes.

However, I do feel that we do not have a national strategy or anything that even comes close to a national strategy, largely because we have not figured out what are the human capacities that we want to grow in our society, and to what extent do

foreign students play a role in that growth.

If we don't decide on some basic parameters for that as a society, we will fall almost necessarily into the kind of pit that has difficulty figuring out not only how to develop consensus, how to compromise, how to solve problems.

In any social organization, if that social organization does not have a broader exterior purpose, you're going to see all these different perspectives and embedded values and untested theories being contested, and it will just then boil down to the path of least resistance, and you come up with solutions, but the solutions tend to be extremely technical, extremely tactical in their nature.

I don't have strong views on whether H-B1 should increase by 20,000 or decrease by 20,000. I think there is a lot of good technical work to be done there. Of course, I'm sympathetic to industry saying we can't find the workers we need to do this particular thing.

Again, going to your question about surplus or to your question about whether there is a shortage, we shouldn't be thinking about things just in terms of shortages. We should be thinking about how we grow a national capacity and not just to supply labor, but for the kind of innovation that the society needs that drives value.

I would add that the frame has to be broader than the purely economic frame. The frame has to extend into our geopolitical interests as well, and to the kind of cross identification that takes place when foreign students come to the U.S. in both directions.

MR. ANTHOLIS: Give us an example of that.

MR. CHODOSH: For example, if I have a roommate from Finland or Singapore or China or Russia, I grow a cross identification with that roommate, and so

does that roommate with me, regardless of where their lives lead, when something comes up in the news, if I'm abroad, something on the U.S., if I'm in the U.S., something abroad, I immediately have a certain empathic view because I have my best friend who lives in that environment.

If you look at the Middle East conflict -- we have students from Israel and we have students from the Territories and surrounding Muslim countries -- if you look at the Middle East conflict and you haven't had a personal relationship from someone whose family lives in the area, you have a very different view of what's actually going on, and your ability to bring common values together and to bring to bear is limited.

In terms of national strategy, what I find a little limiting about some of these discussions is I'm not sure I really understand why STEM is STEM. There have been people trying to work at the edges of that, to make STEM "STEAM," adding arts, to make STEAM "STREAM," to add religion.

I think where we ought to be focused is not just on the technical fields, but on their intersection with other fields. If you look at actually what's going on on the cutting edge, in the technical spaces, if you look at what's going on, for example, in Stanford's Design School and what is happening at Northwestern, it is where mechanical engineering meets humanism, and where empathy based education becomes critical to actually developing and generating value.

What I'd like us to have, and this is on us, too, this isn't just a criticism of insiders in Washington, it's also a self criticism of what's happened in higher ed -- we have gotten so focused on the tactical, how to meet our budget deficits, how to deal with the practical problems of when we have outstanding students, how we get them into the employment sector where they want to be, that we have lost sight of what our larger

national objectives are.

In any context of conflict, if we can't put our eyes on the exterior goals and large goals and grand goals, as perhaps impracticable that seems when you are in the trenches trying to fight it out to come to some compromise, but if we give up on that, we will be here 10, 20, 30, 50 years from now still arguing about these very technical and archaic mechanisms for dealing with a much larger challenge and a much grander opportunity for the country to leverage our comparative advantage.

I think higher education is one of our last true comparative advantages, as well as our political and economic system that is a magnet for talent, and that can be an engine, not just for the growth and well being of our society, but for the civilization as a whole.

if we don't grasp that and we continue to think and benchmark against other countries that are actually trying to do what we are doing, they are trying to understand the secret sauce of what we have, but we are focused on more metric and quantitative test scores and those forms of academic achievements, we may actually subvert the comparative advantage we have and end up with a really truly substandard educational system and culture.

That is my great worry about not having that broader strategic conversation.

MR. ANTHOLIS: I want to turn to the audience now for questions. We have about 15 minutes until we will take a break, and then have two very special guest speakers. Questions from the audience, there in the third row.

QUESTION AND ANSWER SESSION

QUESTIONER: Good morning. My name is Russ Harrison. I represent

ANDERSON COURT REPORTING
706 Duke Street, Suite 100
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

the Institute of Electrical and Electronics Engineers USA. We represent about 200,000 individual technology professionals. My members, I represent more of these folks than anybody else in the country. My members are the individuals most directly impacted by H-1Bs, immigration, and all that.

I have a question. Neil started off the morning by saying we have a very archaic system for retaining talented students, and if I could quickly summarize. We bring them in as students. They graduate. They stay in OPT for a while. There are problems with OPT. Then if their employer is very lucky, has a good lawyer, and is willing to spend some money, they can get an H-1B Visa.

Then if they have a lawyer and if they have extra money, they can sponsor that person for a Green Card, and if they wait the suitable amount of time and get a little bit lucky, that individual becomes American.

The policy solutions that we are discussing is adding new archaic things to that process. Why don't we just give the students a Green Card? Why is that not the solution to this problem?

You graduate with an advanced degree in the STEM field, you get a job offer, we set things up so your companies, Amy, can get a Green Card within a year for those workers. They become an American. They stay, they work here. They build our economy. We get around all the problems with the H-1B, with the outsources and loss of jobs. We don't have to worry about wage rates because they're Americans. They can protect themselves.

Why are we working to re-jerry-rig a messed up system rather than trying to fix it?

MS. NICE: I just want to start. As Russ very well knows, we are all for

that. (Laughter) In fact, the House of Representatives passed a bill that IEEE and the U.S. Chamber worked together on, just to refine a little bit, not that it's automatic, but if you graduate from a U.S. university with a STEM degree, and your employer goes through the normal process to make sure U.S. workers aren't qualified and available to fill the job, that there is a Visa number available to you in a special pot sitting over here.

That would help in the other areas. If you could take some of the pressure off of the immigration system related to these jobs that do require quantitative analysis, quantitative skills, that aren't just with tech companies but are embedded in our economy in so many different industries and so many different sectors, in small companies, in big companies, and in a variety of specialized areas and needs, that could take some pressure off this entire system.

That obviously requires Congress to act. Nobody can create more permanent resident numbers except for the Congress.

MR. ANTHOLIS: Why hasn't that happened?

MR. COSTA: My understanding of IEEE's proposal and their way to fix this is to go all Green Cards, quick access to Green Cards for employers. I'm assuming they mean that would get rid of the H-1B. Is that what you are saying?

QUESTIONER: No.

MS. NICE: I was going to say, just to be clear, it's not that the U.S. Chamber thinks we should only reform Green Cards or that the business community at large thinks we should only reform Green Cards. We agree with the point that if there were more Green Cards that were more easily accessible, if there were more numbers that related to where there is demand by employers, we should do that first to assess what the actual facts are on the ground.

One of the things that we really don't know in our immigration system to make those bigger picture assessments about education and what is our national interest, there are so many facts that we don't know. I know Daniel and Neil spend a lot of time in that space.

For example, we are talking about STEM grads and H-1Bs. We do not know how many H-1B workers, individual H-1B workers are in the United States. It's not knowable. I think we should start doing a better job of gathering this information so policy makers can actually assess and we can make decisions and compromises based on actual facts.

One of the things I think that IEEE and others believe is if we dealt with the Green Card aspect of it, that could make the system -- take some pressure off.

MR. COSTA: You seem to be in favor of more and better data, and somebody studying within the Government the impact of these programs, which I totally agree with and I think is great.

I think the Green Cards versus H-1B thing gets sold as Green Cards instead of H-1B, if they are both there, they both need to be fixed, if that compromises everyone on the table, that is something to consider, but I don't think it is.

The other point was you would be making F1 Visas, which was one of Neil's recommendations in his post yesterday --

MR. ANTHOLIS: Make clear what that is. F1 Visas having dual intent, meaning?

MR. COSTA: Meaning you can be an intending immigrant, which means you could apply directly for a Green Card after being a student. I am of two minds about that. On the one hand, I'm sort of okay with if an employer wants to hire somebody who

just graduated and keep them out of being indentured for six years under the H-1B. That seems okay with me.

On the other hand, I also think we are creating reverse incentives for the F1. I think that will have an impact on universities and what their business model is and what their incentives are.

I think it is better to have targeted legislation for where the needs are and if an F1 meets certain requirements.

I don't think generally it's an easy way to go, and to say having more Green Cards will get rid of the problem with outsourcers, they will just hire people with Green Cards and then not keep them for very long.

MR. CHODOSH: Just to be clear on this issue, it seems to me that one of the legislative challenges or policy challenges of this kind of thing is you worry about the abuse of the system.

You can create a picture in your head where every foreign student comes to the U.S. with a tremendous educational foundation, comes to the U.S., works really hard, goes to a great university, and then goes on into the business sector. That's a great story because that is the kind of student we want to keep.

We also know there are other mixed motives that sometimes foreign students have coming to the U.S. There are programs that have been developed to sort of capture the revenue and not deliver a decent product, and there is a lot of abuse there on the extremes.

Again, knowing about the nature of that abuse and figuring out some modest maybe non-completely bureaucratic ways of screening those students raised technical questions about whether that dual purpose will then limit the number, because

now you have to get into the business of questioning intent and whether this person is coming to a real program and so forth. That adds a level of bureaucracy to what seems like a simple way to deal with it.

I just want to mention that we have to be careful not to project just the positive story, we have to be careful about the negative story and what that can sometimes do to create fraud and other types of abuses in our system.

MR. ANTHOLIS: Neil?

MR. RUIZ: I think Russ Harrison had a good point. Everyone knows the debate around H-1B is -- we have to remember H-1B is kind of a catch-all Visa for all these various different purposes. If we want to go to what Hiram was talking about in terms of what is our national strategy, the H-1B is capturing foreign students who are homegrown in the United States, they are studying in the U.S. They capture areas that businesses need that they argue there is a shortage for temporary workers. They are capturing potential start-ups. Every start-up in Silicon Valley, if they have a foreign worker, they have to apply for an H1-B, too, and they probably don't have the legal firms or even know how to apply for an H1-B, and they are more likely not to get an H-1B because of that.

There are multiple purposes all shoved into the H-1B Program, and I think we have to fix smartly. If Congress is going to make a permanent fix, how do we know that STEM, which I think is important now and has been important for a while, but what if there is another field 20 years from now that hasn't even been created.

That is not going to make it on that list, and suddenly it has been engrained in law by statute, and then we are going to have the same divided Congress we have now with the President, and stuck with trying to figure out executive solutions to

trying to keep people that we realize our statute doesn't allow.

I think we need a nimble system. Daniel has been trying to say do we need a bureau, do we need a standing commission that could look at the data that is non-partisan. In a paper with my co-author, we said you do need probably some independent that has access to all this data.

I've been lucky with the reports you have distributed today to get through the Freedom of Information Act, but the Government has all this data that we can go through, but at the same time, I understand what business wants, too, because surveys are done on a yearly basis, and it takes a while to get that data in a good form.

We don't know if what business is telling us is really some skill that we need now that someone else has who happened to be a foreigner.

This is where the compromise and all the politics is involved in this debate.

MS. NICE: I just want to give an example to sort of frame that, all the comments into what happens on the ground, and I know we are going to continue with some questions.

The point I think a lot of employers like to make is I have a business, I have a particular need, very specific skill that I'm looking for that is going to help me as a business owner. I don't care what the national unemployment rate is. I don't care whether the person specifically earned a degree with a certain label. I care about a skill set.

I just want to give a short example. One of our members who is very active in our Small Business Council owns a small business in Sweetwater, Texas, which is a small town. His company is the largest employer in that town. They develop and

manufacture different kinds of radiation measurement equipment, like the kind of thing when we go through PSA.

He came up with an idea, being in the business for 30 years, of a slightly different product. He got the patent rights, developed the patents he needed, got all the equipment, and then he realized I need one guy who knows about da-da. They recruited. You couldn't find an American worker who wanted to go and live in Sweetwater, Texas. He had to put all his equipment in a warehouse.

Kept looking. Finally found a guy who was a Mexican citizen, who went to UT, who had an undergraduate degree in STEM, a graduate business degree, in-between which he had gone back to Mexico and worked actually for one of this company's competitors.

They put in an H-1B petition, didn't make the cap, couldn't hire the guy. He didn't get the 29 month STEM OPT because his last degree, not a STEM degree, doesn't have that label on it.

After a couple of years, they eventually were able to hire this guy, took all the stuff out of storage, set up the manufacturing, created employment for 22 Americans.

Is that a big deal? Well, it's not to --

MR. ANTHOLIS: In Sweetwater, it is.

MS. NICE: In Sweetwater, exactly. There are companies like that around the country. It is not just the big name companies that are hiring thousands of people. It is a company looking for one guy or gal. Specific skill set.

We can't have the Government intruding in that, but somehow we have to figure out a way to facilitate that.

MR. ANTHOLIS: I am curious about the small and medium enterprise bit

of this. It's fascinating certainly from a regulatory obstacle course standpoint, which we often hear about, but from the data collection standpoint, what do we know about that? You talked about the importance of data and forensics.

The one thing about big companies is they produce big data. Small and medium enterprises don't tend to. That is where a lot of job creation comes from.

Talk about that from EPI's perspective.

MR. COSTA: Most of the H-1Bs, they are big companies, and most of them are outsourcing firms that offshore jobs, like infoSIS, Tata, HCL, Eccentric. What we also know about them is they are using the Visas in not the best way. They are getting about half of the Visas, the big companies.

They do things like what happened at Southern California Edison just last month where 500 workers there were laid off and infoSIS and Tata were hired to bring in 500 contractors. You would think that directly replacing an U.S. worker would be against the law, but it's not. There is a pretty big loophole in the H-1B where you can just pay \$60,000 or hire somebody with a Master's, and hire a firm to displace people at your firm. The workers that came in were earning 65,000 to \$70,000. The ones that were laid off were earning \$110,000. There are a lot of companies who get H-1Bs who only get one or two.

I guess my response would be to the scenario you just described I'd like to know how much that employer offered. Did he offer a higher and higher wage to try to attract somebody and let the free market work, and if it really didn't work in the U.S., then the employer should be able to pay a premium so they can get a Government benefit of getting an H-1B, say in the 75th percentile wage.

If it's in a high unemployment area, I think under a better system you

would have an employer pay a premium to get them if they really are that skilled.

MS. NICE: My guy in Sweetwater, Texas comes under the Dallas MSA and the wages that they identify aren't even the prevailing wage in Sweetwater, Texas, but those are the wages he has to pay.

Employers already have to kind of comply with that system. The ones that are in compliance with the law are complying.

MR. COSTA: That's based on Labor Department survey data of the wages and occupations in that general area. You said paying a 75th percentile wage, and earlier you said that was totally unrelated to the job or the person, it has to do with what's being paid in that area. It is designed to not push down wages.

MR. ANTHOLIS: I'm aware that we are right near the end of our time. Do we have time for one more question? One more question, the gentleman toward the back.

QUESTIONER: Ted Alden with Council on Foreign Relations. A quick question for Neil, and then a slightly broader question.

Neil, your post was very good about what is happening under OPT. I was actually in India last year and talked to a bunch of the U.S. officers in Hyderabad who were fighting this fraud problem. What happened to SEVIS? This was the agency set up under DHS after 9/11 to prevent precisely this sort of thing, isn't it doing its job?

My one broader question, which there may not be time for. A couple of years ago, a paper by Giovanni Peri, arguing for an auction type system to deal with exactly some of these things you are talking about. For high skilled temporary workers, let companies bid for them in effect, as opposed to having all of this complex wage rate stuff.

Microsoft has said we will happily pay \$10,000, put it into a pool to train Americans in computer science because we can't find the people we need. It seems to me we are leaving a lot of money on the table there and instead kind of creating this complicated bureaucratic architecture.

I know nobody wanted to do that when we had a chance for comprehensive immigration reform, but now that we are kind of back at square one, I think maybe that idea deserves a serious look again.

MR. RUIZ: A great question, Ted. I think what happened with SEVIS, and this is where all the data comes from in my paper, SEVIS was created -- Student and Exchange Visitor Information System -- to really just monitor foreign students. This happened after September 11.

One thing that I realized was it's actually not hard to become a SEVIS certified school. That means to accept foreign students under F1 Visas. You just need two other schools who are currently certified under SEVIS to write a letter and say we will accept you, we would accept students who are good enough for our school. There is no accreditation requirements. The Department of Education doesn't say if that school is good or not.

That's where we have a problem here in with SEVIS. Given the problem that we have this gridlock in Washington on H1-Bs, people will get smart, and they are realizing wait a minute, I will go to one of these schools, pay only \$10,000 for a Master's degree, so I can go to the University of Northern Virginia, sounds like UVA but it's not, and work while I'm a student.

There is another program called Curricular Practical Training, CPT, where if you are an intern or you want to work while you are a student.

These schools have the data and I had been analyzing it, they use it a lot. Basically, they are working while they are students and getting credit as a student for working for an IT company, let's say.

That's the loophole, and this gridlock has created a gray market, and since Bush made the STEM OPT expansion in 2008, it has grown since then. I think Obama needs to watch out because he said he's going to expand it. That's the problem. We may be creating a huge market.

MR. COSTA: Very quickly to your other point, I would say one quick and easy way you can do this in the H-1B rather than the proposal Peri had would be to just rank, instead of doing a lottery, rank by the highest wage. The highest wage should have priority within the lottery.

The \$10,000 that Microsoft was willing to pay, to me, is sort of a joke. It's real money, but if you look at how much you could save by paying level one wages versus level three wages for a computer programmer in San Jose. It is about a \$36,000 difference. You can hire an H-1B level one for six years, that is \$36,000 a year for six years. That is \$220,000 you saved right there, which means ten grand is chump change; right?

MS. NICE: The wages that employers pay are not tied to the OES data. They are tied to what they are paying. The employers who are in a talent search and trying to hire workers to fill jobs are paying Americans and foreign workers the same salary, and they are paying that based on what the market will bear, and it varies. Silicon Valley salaries are higher, and in Peoria, Illinois and Columbus, Indiana, they are different.

When you are hiring an experienced worker, laterally, who is bringing

certain research or patents with them, that's one salary that you pay. If you're hiring someone who just earned their Bachelor's degree, that's a different salary. If someone just completed a Master's degree and did research on the exact thing that you need to help develop your next widget or product, that is a different salary.

If I could just say one sentence about the auction idea.

MR. ANTHOLIS: That's what I was going to ask. The idea of an auction is fascinating. What works and what doesn't work about that from your perspective?

MS. NICE: I would first say the reality on the ground is that is never going to happen. (Laughter) Well, we have too many diverse interests to support such a venture. The Peri paper was sort of an outgrowth of the whole book that Pierre Aranius co-authored a couple of years before that.

As Daniel was saying, maybe just apply to H-1Bs, but then what kind of employers, can my guy in Sweetwater, Texas afford to be in the lottery? I know from a purely academic, economic analysis standpoint, that's more valuable you're willing to pay money, but there are 27,000 different employers who file for an H-1B, 26,500 file for one. Of the other 500, 400 file for five or less.

There are needs across our economy. There should be other ways to look at a bigger picture of what we are trying to get to, but we shouldn't rig the system in a way that we know isn't going to meet those national needs.

MR. ANTHOLIS: I'm struck by this. One of the great experiences of traveling in China is the Chinese are actually very experimental about public policy. In Beijing and Shanghai, there is a limit of cars. Beijing, the political capital, they do it by lottery. In Shanghai, they do it by market. The driving experience in Shanghai is so much better than in Beijing. (Laughter) The consumer experience seems to be so much

better. That taught me the power of markets.

From a business organization, why wouldn't you be in favor of an auction, which is so much more market driven than a lottery?

MS. NICE: As far as immigration, the immigration issue, the Chamber is actually trying to get laws passed, and we have had a lot of conversations with a lot of lawmakers, and they are completely disinterested, and not even considering that. It's not something that we spend a lot of time talking about because we actually want to get something done.

MR. COSTA: Would you be in favor of ranking it by wage?

MS. NICE: No, we don't agree with it.

MR. COSTA: That would mean that the highest paid workers would get preference, which would mean they were most likely the most highest skilled, which is probably what we want.

MS. NICE: Why is it more valuable to have an engineer in Silicon Valley who gets paid more because that is a higher paid market than an engineer in Sweetwater, Texas. Why is that more valuable to the United States of America?

MR. COSTA: You would offer more for the worker --

MS. NICE: This is your perspective from the Economic Policy Institute, but not the --

MR. ANTHOLIS: We have eight more minutes before we break. Any more questions out there?

QUESTIONER: I'm Paul Donnelly. I work with Morrison Public Affairs Group. Along with Mr. Dreier, I may be the only one in the room who worked on the 1990 Act.

You mentioned earlier that America needs a policy about all this. Actually, we have one, it's the 1990 Act. What the 1990 Act stated as policy is that when an employer wants to sponsor a foreign student, foreigner of any kind, and employ them in the United States, particularly in technical fields, in order to create and keep jobs in this country, they should do it with a Green Card. That is what the 1990 Act did, it nearly tripled the number of employment based Green Cards, and it also incidentally created a 65,000 permanent cap in the H-1B.

We made two significant mistakes in the 1990 Act. One was that we did not realize that by creating the H-1B Program the way we did, we would create an outsourcing industry 15 or 20 years later. Most H-1Bs go to outsourcing companies who have a very clear business model and a trade strategy.

That is to say they bring people into the United States who undercut American wages, learn how to do jobs that are being done in the United States by Americans, so this isn't a question for a search for skills, Americans are already doing these jobs.

That is what we saw with Southern California Edison, with Cargill, Best Buy in Minnesota, with Pfizer, Northeast Utilities in New England, with Disney and Nielsen in Florida.

Then having learned how to do these jobs, they are simply outsourced. That's the true face of the H-1B Program.

The other thing that we didn't do in the 1990 Act was deregulate the Green Card process. It's very simple. All you have to do, which we tried to do in 1990, which the Jordan Commission recommended in the mid-1990s, is simply create a fee structure where employers who wish to sponsor someone for permanent residency, not

an H-1B, would pay for it.

You could argue about what the price should be. The last bid that Microsoft made was \$25,000, not \$10,000. That way, you know the employer really needs this person because otherwise they would simply hire the American next to them and they wouldn't have to pay the \$25,000 fee.

All of that is a substantive point to set up a political question. The I-squared bill, which Senator Hatch has introduced, which may be voted in the Senate in the next couple of weeks for all I know, is a long step backward from what actually passed the Senate in S.744.

The Senate passed immigration bill had a high tech provision which provided unlimited Green Cards for STEM grads and deregulated them so you got a Green Card as soon as you were hired. It also created significant restrictions on outsourcing. The I-squared bill doesn't do any of that.

My own count is that there are 45 Senators who aren't willing to support doubling the outsourcing Visa, which is the Indian Government's name for the H-1B.

Since the purpose of the panel is to talk about a bipartisan solution to this, I'm curious why the bipartisan solution we're talking about is so much focused on H-1Bs and so little focused on what actually passed the Senate, which is unlimited, deregulated Green Cards.

MR. ANTHOLIS: The gentleman in the front, and then we will give the panelists an opportunity to respond briefly, and then we will turn to the next session.

QUESTIONER: Hi. I'm Daniel's colleague, Ross Eisenbrey, from the Economic Policy Institute. I wanted to just raise the Global Cities Initiative and the information that was provided here that says since 2001, the number of F1 Visa holding

students who extend their Visas is more than twice the total number of F1 Visa holders in 2001. The number today of students who stay on the extended Visa is more than twice as many as the total number of students who came here in 2001.

This is a problem. Amy says we are not responding to changed circumstances, well, we obviously are because we have this huge supply now. We are managing to attract five times as many students and more than twice as many are staying on the OPT as even came in 2001.

I think there is a good news story there that we just sort of neglected, but I think it is important that people focus on what was just said, which is Amy keeps talking about the little business in Sweetwater and the companies that want one Visa.

You could take care of her problem if she didn't have to represent this industry, if she weren't the representative, the least common denominator representative of the outsourcers. If you threw them under the bus and said why are we helping ship jobs to India, you could take care of every one of those single business H-1B seeking companies in America.

MR. ANTHOLIS: I want to give each of the panelists a minute to respond. Then we will wrap this one up and go on to our guest speakers. Neil?

MR. RUIZ: The difference between S.744 and the I-squared bill, I think if the question is we want to retain foreign students in the U.S. that are coming here, studying for one, many years, or doing a Ph.D. for six or more years, then we do need a provision like the comprehensive bill did have to allow the Green Cards, they could apply dual intent straight to Green Cards.

I think the politics again is around the outsourcing. It is around trying to figure out, you know, H-1B is for temporary work, are these the skills that we need here

or not. We need a better way. We need a nimble system. We need something that can deal with that. The question about Green Cards, I think that is important to have an easy way for foreign students who are studying at our good universities.

We have to think about the debate would be about how do you define a good university. We also could create a whole new market of schools that would just be Green Card mills. It is very important for policy makers to think through that.

In terms of the OPT, the stay rate, in my paper, again, it does say a lot of students want to stay and work. Forty-five percent of them do stay in the metropolitan area they went to school, so that is actually fascinating.

The finding was New York was number one, 75 percent of their graduates under OPT stayed to work for a New York employer. Also, Las Vegas, you see that as well. There are a lot of things going on in Las Vegas where the gaming industry is globalizing, and they want to have their foreign students who are studying at UNLV, which is a great gaming/hospitality school, stay and work for these companies, and then open up the multinational American companies abroad in Asia, because gaming is growing there.

I think that OPT is important, but again, if you want to stay here longer than that one year or 29 months, that is where this whole debate is in terms of getting a Green Card or H-1Bs.

MR. ANTHOLIS: Neil, thanks for giving a reference to Las Vegas. That is always a goal for me and all panels at the Brookings Institution. (Laughter) I'm serious about that, actually.

Hiram?

MR. CHODOSH: I think we have to look at questions of outsourcing and

insourcing in a broader frame. I'm not an economist capable of looking at it. It just seems to me the attempt to limit outsourcing is likely to lead to other forms of economic activity that will basically have the same net result.

I think we just have to be very cautious about what might be called "the limits of law," and the limits of actually restricting powerful economic activity that is likely to emerge under a different organizational set-up.

There are lots of strategies available to deal with the disparities in the cost of labor globally. We live in an age of globalization which basically means particularly large and powerful enterprises will be able to conduct a form of legal arbitrage. They will figure out a way how to arbitrage educational differences, labor law, IP protection, and a whole other array of things that go into their sort of strategic planning about how to produce wealth for themselves and how to contribute wealth for the broader civilization.

I am just a little bit more cautious about these grand bargains that attempt to limit things that I don't really think can be limited. I think where we really need to go is to sort of understand those larger economic forces, and not to necessarily collapse into them, but rather to strategize around them, and to decide okay, well, taking outsourcing as a model, what are the jobs that are being outsourced, do we really care about them, what is the cost/benefit, the cost to American labor by having that outlet.

But also the advantage of those strategic partnerships, economic well-being, the growth of consumers in those countries, the geopolitical relationships with those particular regions that then are economically, geopolitically, and to some extent sociologically then tied to the U.S. in ways that I believe again are in our geopolitical interest.

I think if we just look at this from a labor point of view, through that prism of that economic discipline focused on labor, I think we miss a lot of broader points that have to be factored into that economic policy.

MR. ANTHOLIS: Daniel?

MR. COSTA: I will say a quick response to Mr. Donnelly's comment. I just think just blindly increasing supply in the way that S.744 did with uncapping STEM Visas and uncapping some of the EV-1s, that doesn't seem like a rational policy to me, to just blindly increase supply.

I think levels need to be set according to economic conditions, and I think the labor certification system needs to be improved and be an integral part of that.

More generally, I think what we really need to sort of piggyback on what Hiram was saying in terms of coming up with a broader national policy, we need a commission of experts modeled on the ITC, the International Trade Commission, because I think immigration is just as important as trade, with a good research staff that is studying how immigration can best serve the national interest. I think it should be a standing commission.

It should be able to give Congress recommendations, and it should be able to also ultimately recommend targets for labor migration, and recommend them in a flexible way that adjusts with economic conditions.

You would need more immigration during high growth periods and have much less during recessions and slow growth periods.

I think there has been from other researchers that I have been talking to and other people who work on migration, and I think there is a growing consensus that is sort of what we need to move to because there is nobody in the Government that is

studying all of the immigration data that it collects. There is nobody tasked with knowing what all that stuff means.

We have to do FOIA just to get it so we can look at it, but nobody is tasked with telling us what this might mean.

MR. ANTHOLIS: One minute left for Amy.

MS. NICE: Well, I'm sad to say there is not a growing consensus that we should have a politically appointed commission to decide immigration policy.

MR. COSTA: You are the only one against it. That should be stated, the Chamber is the only group that is really against it.

MS. NICE: I think that the Immigration Innovation Act is not something as it stands now that is -- don't worry, it's not going to be voted on in the next two weeks. Of course, issues have to be addressed that are very much relevant to addressing high skilled immigration, and there is space left, I think, for figuring out how to work with the House, how to work with the different bipartisan Senators that would hopefully co-sponsor the legislation and move forward.

There is a whole panoply of issues clearly that have to be addressed if the Congress is going to act in the high skilled space through legislation.

I think the idea of thinking in the big picture way is really thought provoking and very important for everybody who is trying to be active in this space and to try to come to solutions. On the idea, for example, taking the big picture and then going to a small little tactical point, I would still use as an example the idea of looking at foreign students and their stay rates.

The most recent report on that from the Oak Ridge folks in January 2012 was examining people who completed their degrees in 2004. As anybody in this room

who is working on immigration knows, and I know Russ and Paul know very well, in 2004, when the McCain-Kennedy bill was being written, the Visa availability for Green Cards for employment based workers was current, there was no backlog.

In 2007, when the Senate couldn't pass, couldn't get to closure on a comprehensive immigration bill, the backlog had started. In 2013, when the Senate was able to pass a comprehensive immigration bill, the backlogs have exploded.

It's a different world today. The actors will make different decisions based on what they want and the global economy and opportunities here and abroad.

MR. ANTHOLIS: Amy, thank you so much. I want to thank all of the panelists. Again, the Dreier Roundtable, David, and all our friends at Claremont McKenna, and all of you in the audience.

I have come to this issue periodically for brief periods of time over several years, and just in the last three years, the issue has evolved so much. With Hiram's challenge to think in a broader context, I guess the way I would conclude is by saying on the one hand, the U.S. has often been self sacrificial in the name of greater economic integration over the years to advance our broader national interests, which I think Hiram framed quite well.

But I'm also reminded that over the last 60 years, since the end of World War II, we have always done that with a domestic political consensus that the economy would grow and it would create jobs.

I think one of the reasons this issue is so challenging is growth has been while compared to Europe quite strong, particularly recently, the idea of job creation and the idea of shared wealth remains a big issue in the country, and I think that speaks to why there is still so much controversy and conflict in the issue, and hopefully, we can get

to consensus soon.

Thank you all for contributing to that, and to our friends at Brooking.

(Applause)

We are going to take a quick maybe two minute break and then David Dreier will come back and introduce Barry Jackson.

(Recess)

MR. DREIER: James Madison famously envisaged this clash of ideas and, at the end of the day, he recognized that compromise was essential. So as I listened to that panel, I was struck with the fact that here we were able to see very disparate views engage in civil discourse and the word “compromise” was actually thrown out. Amy talked about that.

And, you know, one of the things that was very frustrating for me in the Congress was that the word “compromise” became a pejorative. I mean, it was a word that was very, very nasty. And I always subscribe to this view that you should never compromise your principles, but you should always be prepared to compromise in the service of your principles. And when people were critical of that notion of compromise, I was struck by the fact that many had forgotten that in the summer of 1787 there was something called the Connecticut Compromise, also known as the Great Compromise. What that compromise did was create the bicameral legislature that we have in this country. And so my view has been that if the framers were able to pursue that, we clearly, as we deal with an issue like immigration, should be able to do it, as well.

I’m very privileged and we’re all very fortunate that someone who has expertise from both ends of Pennsylvania Avenue is with us. My friend Barry Jackson served in the Congress early on; then he went into the George W. Bush administration,

...serving at the highest levels dealing with this issue and a wide range of other issues; and then he went into the private sector and then came back to the Capitol to become the chief of staff for John Boehner, the Speaker of the House of Representatives. And he is one of the most respected and thoughtful people in this town, who, again, understands the imperative of finding a solution to issues.

And so for all the answers, I'm very pleased to introduce my friend Barry Jackson. (Applause)

MR. JACKSON: Thanks, David. I told a few of you here just a few minutes ago, the last time that I publicly was out and about speaking about immigration was 2007/2008, and the scars have never healed. (Laughter) And as I was home last night, I found myself curled up in a ball in the corner, thinking, oh, my god, I'm going to do this again.

So I thought the way to break the ice here would be I'm going to, I think, make some news. It's probably going to come as a surprise to all of you. I don't think there's going to be any immigration legislation in the next year and a half. (Laughter)

But I want to pick up on something that Hiram mentioned in his very last remarks there. It was that, you know, this conversation is about high-skilled and H1B. If you broaden this out and you think about the larger immigration debate, and Hiram talked about the context that you've got to think about this, and so I want to just put a couple of facts out there that are relevant, I think, to why the H1B thing, while you've got some people on the Hill that says this is a no-brainer, why you've got a lot of other people that don't think it's a no-brainer.

So according to the Bureau of Labor Standards, who was hired in 2014? Who were the new people added to our workforce? Forty percent of the new hires are

foreign-born. Kind of interesting. If you take BLS categories -- white Hispanic, Hispanic, black Hispanic -- they made up 45 percent of all new hires. Again, BLS categories, if you take black non-Hispanic and black Hispanic it made up 30 percent of all hires. And then if you take unmarried, you're now 75 percent of all hires.

And I'm going to say something and, hopefully, in an academic sense, it won't be offensive; political sense, I could get in all kinds of trouble. But if you're an economist and you're an academic and you're looking at things about who are the most qualified, who are the most sought after types of workers, generally speaking, broad categories, Hispanics, blacks, unmarried, foreign-born are not the top of the list. This tells you something about where the job market is and where employers are having to go find new employees.

Now here's another kind of interesting thing. So when you look at middle age, generally most stable part of the workforce -- they tend to be married, they tend to have children, so they've got obligations to be productive in the workforce -- they make up about two-thirds of our entire labor force. But in the last 12 months, of the 3 million new hires only 1.3 million were middle-aged. And if you look over the past 5 years in the employment data, what you find is there's more than 3 million middle-aged workers, which generally are the most high-sought, and who've just dropped out of the workforce completely.

Earnings. Now, generally, you know, we espouse this view get a good education, you're going to make more money. This is kind of an interesting thing from last year. If you had an advanced degree or a bachelor's degree, you actually lost in the wage category .5 percent. If you had a high school education or below, your earnings increased by 4 percent. What's that telling you? Again, the employer community, what

they're looking for and what they need because they're not finding the workers in what you would call a stable class, they're trying to get them in a more unstable class, they're paying more.

So we saw wage growth last year. We also saw a drop in productivity.

So I throw all this out just because as we look at this debate, I think it's really important that we all recognize we are trapped by parameters that we have been arguing for 10 years. So my years at the White House dealing with this, to this day I can espouse the three components of immigration reform, why they all have to move together. You know, we have to secure our borders, we need to take care of whatever the number of current undocumented are, and we need to make sure that we have an immigration system that meets the economic needs of our economy.

I don't think that's changed, but why is it in this debate today those have been lost and we're now into this fractured, back into arguing, well, can we just move this piece? Can we just move this piece? And I would argue that what has transpired in the last eight years, a lot of things have changed the dynamics of the debate.

And I think that one of the things that most of Washington doesn't quite understand yet is how frustrated the American people are with big institutions, big government, big business from either local governments -- there's just this sense that we have gone through this decade where nothing seems to be going right. The economy collapses. We've never really got back on track. Yeah, we've got 2 percent GDP growth and we're like, well, at least we're better than Europe. I'm sorry, 2 percent GDP growth does not grow your economy.

And people feel this and they know this. And they look at Washington and there's this blah, blah, blah, and carp, carp, carp. And, you know, on both political

sides, the same thing. You know what? We're not going to do it this year because next year there's an election and we're going to take control of this or that, and then we'll be able to do it our way. You know, we're at this point where the people are saying I'm done with it.

And I bring this up because in terms of the immigration debate, I assume everybody in this room is far more well-versed in the nuances of immigration policy, but you also, I'm sure, readily will be able to roll off your statistics that the American people know the immigration system is broken. They know it needs to be fixed. They're not anti-immigrant. They actually believe that there's a bunch of people here in the United States and I think they work and I think they contribute, and rounding them up and sending them off is kind of a silly notion. So why doesn't comprehensive immigration reform just happen?

It's because they have a lack of trust and faith and confidence that the institutions of government that are supposed to be implementing the current law can do so. So why would we support adding a whole bunch of new responsibilities and programs when they can't even manage what they're supposed to be doing now?

And this is at the crux, and for those who are for comprehensive reform, this is the crux of the frustration when you hear from Republicans we need to secure the border first. And in a lot of ways, it seems the easiest to do for most average Americans. How hard is it to stop people from coming across the border?

Now, in comprehensive debate we know how difficult that is if you don't have something to take care of those that are here in an undocumented status. And if you don't fix the visa systems, and whether it's temporary workers or blue cards or uncapped green cards or new EB-5, you know, whatever it all is, if you don't fix that,

people are still going to be coming and be driven by their own economic necessities and businesses are going to be driven by their own. Logically, we know all of this, but the system has to start with something that the American people can get their heads around and say, okay, they're taking the right first steps.

And the other thing I'll say that changed dramatically in the past six years is that the rhetoric on both sides of the issue has gotten to a point where we start our debates with our non-negotiables. And obviously, it's not a big surprise, I'm a Republican. I try not to be partisan when I talk about things like this because I remember at the White House, sitting at the table and I had the Chamber and the Farm Bureau and everybody on that side, the homebuilders, and we had La Raza and we had SEIU, and sitting at this table and trying to keep everybody talking, particularly on this issue because you knew everybody broadly wanted to go to the same place.

But I will say what has made this debate more difficult than it needed to be is when the President starts with, well, my first non-negotiable is citizenship, it just shuts off the wall for everybody. And likewise, on the Republican side, when they start off, you know, we're not doing anything till we secure the borders, when you start with those are your two public positions, you know you're just in for a long-term fight because neither side is going to accept that as a standalone.

So my view of where we are right now is that we're going to struggle through for the next year and a half. The actions that the administration have taken have caused great angst on the Republican side, which infuriates them, which then pushes them into horrible rhetoric and horrible actions, which politically maybe the White House wanted that as they look forward to 2016. You know, we can't be so naïve to think that politics doesn't play into this. And we've got courts now that are into this that are going to

be trying to tell us did the President go too far, did he not go too far, what's going to be able to happen?

So what changes this dynamic as we go into 2016? We know on the Republican side we're going to have some of our candidates that are going to be using the same bad rhetoric and they're going to have the same bad things that are out there. We have a couple of our candidates who actually are going to try to talk about this in a way that says we need to change the dynamics, we need to use a new outline. And on my side, I think that's going to be helpful because I think there's enough rank and file who know a problem needs to be fixed and they're just looking for somebody who can talk about it differently and put up a new framework for how to deal with this issue, which leads to my final point.

Probably many in this room, and all of us know all the other actors in town on this, but all the people that want immigration reform, whether it's full immigration reform or you specifically want H1Bs or H2As, whatever it is that you're fighting for, they also need to step back and be reflective about what they've done in the past six years in this debate, what worked, what didn't work, and have the strength and courage to say you know what? I kind of screwed that up. I kind of screwed that up. We need to start in a new fashion.

And this brings me back to those statistics that I first rattled off. Ultimately, you talk about H2As, so why is -- I mean, on H1Bs, why is it that the high-tech community is in such a state of angst over this? Well, ultimately, we've got a failed education system, but we're somehow -- whether it's the incentives within education, whether it's the incentives that young people or middle-aged people for retraining, the incentives don't seem to click for whatever reason.

And I'm going to pick on the high-tech guys on this because if you think about the high-tech community, their timeframe and their horizon tends to be months. The education system is a 20-year horizon when you think about preschool till the end of a bachelor's degree. Well, I don't know too many high-tech guys who think in 20-year horizons. But if you're going to address this underlying problem, they need to adjust and understand this is not just about we need to increase STEM education. It's much broader than that. STEM education can never happen if a kid can't do basic reading, basic math, and you don't teach them that in the 8th, 9th, and 10th grade. You've got to teach them that at the front end.

We've got to think about, you know, the tax code. Why is it that a Microsoft, for instance, feels they have no choice but to start going overseas and establishing their workforces and their technology centers and all? The tax code is a lot of it. It's not just access to workers.

So I just raise those two points as a reflection because I think all of us that want this -- and I have never, ever once disparaged that the President truly wants comprehensive immigration reform and understands all the component pieces to it. And likewise, when I think about Chairman Drier's colleagues up on the Hill, the vast, vast majority of them wanted the same thing.

But I think we've got this great opportunity, if we can exercise a little self-discipline in our behavior and our rhetoric over this next 16 months, let's not do anything to inflame the debate. Let's not do anything else to call into question the motives of people on the other side who might have a different point of view of how to get there. And instead, let's spend the time thinking about, all right, in military terms let's do the after-action review, and what worked, what didn't work, and let's be comfortable getting

rid of this box that we currently debate in and saying, you know, brand new whiteboard, what are the issues of why we've got this immigration challenge to begin with?

You've got to accept, whether you like it or not, you have got to accept the American people don't have faith in their government. And so if you're talking about a big, new, comprehensive government program, you already start off in a deficit, so you've got to think about that.

You've got to think about these employment numbers. There are some people that the economy is doing really well for, but there's a heck of a lot of people that get really nervous when you start talking about we need to get more people in this country to fill jobs because nobody in the United States will fill them. And you've got over 3 million of what you would, in any economist's view, would say are the most highly desirable part of the workforce -- middle age -- who have just dropped out of the workforce in the last five years. You've got to be able to wrap your head around all of this.

And I think if we do this and if I think of some of our presidential candidates will do this -- and I think, you know, surprise you all, my guess is Secretary Clinton and her team are trying to think this way. I know a couple of candidates on my side are trying to think this way. That can change this debate and it can give us a fresh slate to start from in January of '17.

So thanks very much. (Applause)

MR. COURSER: Hello. Good morning, everyone. My name's Zachary Courser. I'm the associate director of the Dreier Roundtable.

When we decided to choose immigration as our opening salvo for the Dreier Roundtable we really had our work cut out for us. And I know in talking to many of

our panelists about this event there was a healthy skepticism out there about whether or not we had either common ground or whether bipartisanship was possible. In fact, I became a little nervous when the panel started and Amy challenges the notion of there is a common ground and then Daniel said bipartisanship is the wrong way to look at this, and both of those words are in the title of this event. But I think, maybe even to their surprise on our panel today, we saw exactly what we'd hoped for and that is that people can disagree, and reasonably, about this and that there is, at the very least, space for compromise. That's a goal of the Dreier Roundtable is to bring people together in just this sort of setting to talk about issues in just this sort of way.

And I have to say that I'm very, very happy that you've all come here. I was very pleased to see how the panel went.

And I'm also very pleased and, again, in this notion of bipartisanship, that today we have speaking to us a former advisor to President George W. Bush, former chief of staff to John Boehner. We also have a representative from the White House, from the Obama administration, who's coming to speak to us today on this topic. And we've very honored and pleased that she was able to make it. She has a very busy schedule. She carved out a few minutes for us. She's got to leave very shortly after this, but I know that she thinks very much of this issue and I'm looking forward to her comments. I'd just like to take a moment to introduce her.

Felicia Escobar is currently the special assistant to the President for immigration policy. She develops the President's strategy for building a 21st century immigration system. The work involves coordinating efforts across the Executive Branch to strengthen our current system and also working towards passage of meaningful, comprehensive immigration legislation.

She previously worked in U.S. Senator Ken Salazar's legislative team, working with him to develop his legislative agenda on a host of issues, including labor, civil rights, judicial nominations, and immigration. And she also advised the senator during the comprehensive immigration reform debates in 2006 and 2007.

Felicia's a native of San Antonio. She received her undergraduate degree from Yale, a master's in public policy from the Kennedy School at Harvard, and her J.D. from UCLA.

So it's my distinct pleasure to welcome her today to speak to us.

(Applause)

MS. ESCOBAR: Thank you all so much. And I should say really thank you for taking on this issue and trying to help us forge bipartisan consensus on this issue, which is never easy, but it's important for us all to be having the dialogue and continuing the conversation as we try to get to place where our immigration system is no longer broken, but actually working for all kinds of folks, so for families, for businesses, for students and entrepreneurs, for employers. It's something that the President really believes is a priority. He worked on this when he was in the Senate and I watched him as a staffer for another senator who was involved in these issues and saw how much he cared and how committed he was to the issues. And now I have the pleasure to be able to watch from inside the White House his perspective as it continues to evolve and also grow as he hears more from the American public, as he hears from leaders, the business community, agriculture leaders, faith leaders, so many others who care about us moving forward with some kind of a fix to the broken system.

So I guess I'm just going to say a little bit about what we're doing and I guess offer some comments on the way forward. It sounds like Barry had some really

good ideas and I know that he's always been a champion on this issue in all the places where he's sat in Washington. So it's great that he was able to join you all, as well.

So I think where we are right now is we're at a gridlock again. You know, I've been working on this issue for 15 years now and I've seen moments where we're able to find consensus. And those are fleeting moments in public policy-making on any issue and it's important that you seize them and when you find that moment where there's some consensus that you really act on it and use that energy and momentum. We spent the first part of the administration, the first term of the President's time here in office, really trying to move forward with legislation, but not really having partners on both sides of the aisle because I think he's always recognized that in order for anything to move forward in the immigration space, there really does have to be some coming together of Democrats and Republicans and Independents, as well.

So we were really at a gridlock for many years. And then it did take an election to, I think, shake loose things. The President got his second term in office and it seemed like Republicans were interested in thinking through their positions and views on this issue and trying to actually wade into the debate and try to find a solution. And so, in 2013, we saw a lot of progress.

As a former Senate staffer, the idea that a comprehensive immigration reform bill would get introduced in April, marked up in May, and then be on the floor in June, in the first six months of the Congress, was amazing. I always joke to people that it takes the Senate two years to pass a bill naming a post office after somebody. So for us to be able to do that, that several-hundred-page bill, to be able to move that forward was really remarkable. I think it gave people hope and confidence in our government that we were able to take on a really tough issue.

And as an administration we worked behind the scenes with Democrats and Republicans to try to make that bill better as they were introducing it, as amendments were coming forward, so that things could be workable. We may not have always agreed with the policy thoughts and ideas, but we wanted to make sure that whatever ended up in a final product was actually implementable because we were the ones that were going to have to be implementing it.

In the same way, I know when I was on the Hill in '06 and '07, during the bipartisan debates back then, the Bush administration was very active, as well, and somewhat above, you know, in the public eye, but also behind the scenes, trying to help us make that bill better. And I think that we got pretty far in '06, not as far as we wanted to in '07, and then it took us a few years to get to a place again that we got to in 2013, when we passed the Senate bill with bipartisan support.

And then really from there I think that instead of the ideas being the focus, you know, Barry talked a little bit about this, the rhetoric kind of took over. And so even though the ideas underlying the bill I think were largely supported by the American public, by members of Congress, including the House of Representatives, we weren't able to get there because that happens in all kinds of debates. Right? The rhetoric kind of gets in the way of the ideas, and we have to find a way as policymakers to wade through rhetoric and really try to find common ground and move discussions forward and find solutions.

So back last June, it's almost been a year now, the President decided that he could wait no longer. He waited five and a half years to try to see legislation out. And I think based on private conversations he was having with folks realized that there was going to be kind of not help for action in the last Congress. And that would mean, as

you all know, that in this Congress we would have to start all over in the Senate. And there were changed politics in the Senate, particularly with 2016 looming, and I think we were all worried about what that would mean. We didn't know in June, but we knew that there were possibilities. And he decided that he needed to move forward and take a series of actions to try to improve the system within the confines of the law. Right?

So I know that a lot of people have focused attention on the things that have caused controversy in that package, some of the things related to the undocumented population, but there were actually a lot of other good things in that package, so things related to strengthening how we do border security and how we do enforcement, including making sure that we're really measuring and thinking through how our resources are being used, and measuring the success of our efforts. So that's something that Secretary Johnson has been working on. He created a new Southern Border and Approaches Strategy Campaign that is focused on making sure that DHS's -- there are a lot of people that work for DHS, but that wear different uniforms down on the border. Right? And so it's important that they all coordinate and work better together so that we're using our resources in the most effective way and we're getting the most bang for our buck down on the border. So that's something that the Secretary's been very focused on and he continues to think through metrics and also strategies, so that's one big piece that really didn't get much attention because of the other big piece.

And then, as I mentioned, there were a lot of things we did to the legal immigration system to make it work better, so things that people support, things that have been in Democratic/Republican legislative proposals, things that people have told us from the business side to the worker advocate side we can do without legislative action that are within our legal authority.

So some of the things that we've already done that we've moved forward with as a part of that package, we have opened up the ability for H1B workers who have spouses, these workers who are on the path to a green card, to allow their spouses while they're waiting for the green card number to come up -- and as you all know, the green card backlog is something we would have fixed in the Senate bill of 2013 and '06 and '07 -- we would allow those individuals to work in the country while they're waiting for -- those spouses to work in the country while their whole family is waiting for their green card numbers to come up. We really consider these people Americans-in-waiting and we don't want them to decide to leave because of financial strains and difficulties for their spouses, who are often very skilled, as well, to be able to work in our country. So that's one change we've already moved forward with.

Just this week, at the SelectUSA Investment Summit, which is a big summit of global investors that the Department of Commerce hosted, the President was at that event and he talked about some changes that he made to the O-1B program, which is a visa that allows companies to transfer employees between their foreign-based offices and their U.S.-based offices. So those are important changes in terms of how DHS processes applications and evaluates applications that are going to be moving forward in the next few months. And we're actually allowing for public comment or feedback on the draft guidance that DHS put out on Tuesday. And I'm sure we will get lots of comments from all sectors.

And then in addition that, there are a host of other regulations that we're working on that are on our longer track, that are going to take some time, but we're excited about. We're going to expand and enhance a program started in the last administration, the OPT STEM Program, which is a program that is actually very much at

the heart of some of the conversations you were probably having earlier today about STEM students. So the OPT STEM Program, lots of letters in that acronym, that is a program that allows students who graduate from colleges and universities with STEM degrees, foreign students, to stay in the U.S. for up to 29 months to get additional practical training with their degrees.

So the program right now is available to certain STEM degrees for that period of time and we're thinking through right now how to enhance the program so that we have a better sense of who is coming and using the program and that we're not just having folks graduate and then not really keeping tabs on them, something that we think is important both on the college, university, and business side, but also for the students so that they can actually get -- they're actually getting real training that actually applies to their degrees. So there's work we're doing in that space and there's work we're also thinking through in terms of should we be expanding it beyond 29 months? That's a conversation that will need to happen through the regulatory process. And DHS is very busy thinking through that and we'll offer that regulation up for public comment sometime later this year.

So those are just a few examples of things that we're doing. Two other things.

People talked a lot in November about the President's Executive Order and the things that he did, whether they liked them or not. And there actually weren't that many things that he actually signed. He did not sign an Executive Order to give amnesty to undocumented immigrants. He didn't sign an Executive Order related to the border. But he did sign two Presidential Memoranda.

One related to creating more welcoming communities, where we're

thinking through to integration of immigrants, so he created a Task Force on a New Americans. We're actually in the throes right now of finalizing a report that's due to him. We're a few days late, but we will get it to him in the next few days, a report about kind of our vision for how we help integrate immigrants and refugees, many who bring skills with them that we're not taking advantage of yet. So you think about the refugee who has a Ph.D. or an M.D., but maybe working in the service sector. Laudable that they're working, but shouldn't they be using that degree, the degrees that they bring with them, in a way to actually help contribute to the economy? So that's something -- those are the kinds of things that we're thinking about in the New Americans Task Force.

We also created a process to think through the process of our visa system and how to modernize it. And so we call that the Visa Modernization Process PM, and we're very busy working on that, as well; thinking a lot with the Department of State and with DHS how we can make the visa process work better. As some of you may know, depending on what kind of visa you're coming in on, if you're coming in on an immigrant visa you may be interacting with DHS, DOL, and the State Department. That process is lengthy and there are ways we can make it more streamlined; things that we can't change cause they require legislative action, but there are things, like making sure that files, instead of having the State Department mail something to DHS through the snail mail process, why don't we figure out a way to make that all happen electronically?

So those are some of the things that we're thinking about because those extra weeks and months, they add up to saving people a lot of time: businesses, workers who are actually coming to the country, and also families that want to become green card holders and eventually Americans. So that's something that we think is really important, and so look for that report to come out sometime in April.

But we're very excited about the work that we're doing. It's difficult because, I can say for me personally and also for the people I work with, like Cecilia Munoz, who's my boss, and the team of people at the White House who have been working on this issue for years at the White House, it was difficult to think through the Executive Action's package because we knew that in a sense it was a recognition that the Senate bill was not going to pass. The President made that clear in June, when he said that the Speaker had told him he was not going to move forward with immigration legislation in last Congress. And so that was a difficult thing to grapple with as people who have been working so hard to actually get the law fixed.

But at the end of the day, our broken system is also about the people who are waiting for the fixes to happen. And I think the President over the years has met with so many people who are personally suffering because of the broken system, and our economy is also stunted to some extent because of our broken system. Right? And so he really felt that it was important for us to do as much as we can.

I would say that the Bush administration did something very similar after the failure of legislation in '06 and '07 to try to make the system work better. Some of the things that they worked on are actually things that we're also building on and improving, like the OPT STEM Program and other things like that.

So, you know, there's always a struggle between the branches of government and trying to get to a place where we can all agree. That's the way our framers meant it to be, right? They wanted it to be difficult. Anything that's worth doing is going to be hard to do. And so from that perspective, I would say that -- you know, I would ask folks to continue to be a part of this conversation and this debate because I think you all know, and I know that I know, that it's all worth it in the end when we finally

do get a change in the law. Laws take time to change and that's the way the democratic process in our country works. And it's just important that people continue to be involved in the debate and that we bring other people into the debate, as well.

I can say that from my time in '06 and '07 to where we are now, the faith community is so much more involved, which I think is super important, the evangelical community. And I think that's because of personal experiences with grappling with the broken system.

The business community has always been involved, but I like to think that you guys have kind of stepped it up, Amy, in the last couple years. And we really appreciate that because, as Barry mentioned, given where the economy has been over the last couple years, it is a difficult issue for some Americans to understand. Why do you want to bring all these people here on green cards so they can compete against me, or a temporary visa so they can compete against me or my child? Right? That's a conversation we need to continue to have, as well. And so I think having new voices added to the debate really help us really touch all the folks that we need to in order to get the pressure cooking in Congress and also cooking in the White House to get legislation passed.

So I'm still very hopeful that we will get there someday. It will take some time and I understand that we have an election that's about to happen that is going to color a lot of the conversation over the last few months of this administration. I think we're really hoping that it moves us in the right direction. And, as Barry mentioned, there are people in both sides of the major parties that are thinking about this issue, most, and some are thinking about it in a productive way. And so let's have another election, let's have another debate with the American public. And hopefully, we can get to a place

where we're passing legislation and we're all having the high-class problem of being too busy because we all these regs to write and we have all these information sessions to have to tell people about the changes in the law.

So thank you very much. (Applause)

MR. DREIER: Thank you very much, Felicia and to Barry and to Bill and all of the panelists. Very, very much appreciate all of the effort that went into this.

I was just thinking as I was listening to Felicia and Barry's remarks, as well, this week we mark the passing of Singapore's founding father, Lee Kuan Yew, who I was privileged to host several times in the Rules Committee in the Capitol and met with in Singapore. And what is known as the Singapore ideology is: does it work? If it works, try it. If it's fine, continue it. If it doesn't work, try something else.

And obviously, there is clear recognition that we have a system that is broken. Barry pointed that out and Felicia pointed that out, as well. And I think that there is a desire to bring about some kind of resolution. And I hope very much that with our now Washington launch of our Roundtable that we've been able to take some steps that I hope will move the ball forward on this issue.

There were a wide range of things in my opening remarks. I talked about other issues in my alliteration along with immigration studies: international trade, the development of democratic institutions around the world, and the flow of information for commercial purposes which are very, very important items to me. But I want to share with you as we close my not-so-secret agenda for the Roundtable.

Claremont McKenna College is an institution that was established in 1946, and the mission was a very clear one. It was to foster leadership in business, government, and the professions. And when I was an undergraduate it was basically

about 50-50: people who were looking to pursue law and public service, and those looking at economics and business. And one of the things that I was really struck with is that we looked at the Great Recession, as we looked at the challenges, we have some great supporters: fellow trustees of mine at Claremont McKenna College who have been very successful, we have the Henry Kravis Center, George Roberts Pavilion is being built, we have the Robert Day School. Robert Day likes to regularly remind me that Claremont McKenna College has more CEOs per capita than any institution in the United States.

And one of the things that I have as a goal is to not move away from that, but with our three students that we have here and a wide range of others, I hope very much that we can have a shift slightly in the direction of encouraging more people into public service. There is no doubt about the fact that we need to have principled, intelligent, well-educated people who are in public service. And I happen to believe that the work of our Roundtable will play a role in inspiring and educating those young people to do just that.

And so, again, my great appreciation to my colleagues here at Brookings; my colleagues at Claremont McKenna; as Bill said, Zachary Courser especially for organizing and putting this together; our co-directors, Ken Miller and Eric Helland; and again to Dot and all of the people who have been involved in this.

There's a proposal that emerged from Brookings for another idea that we might have, and while the deadline is next week for application, we are looking four years from now at possibly hosting a presidential debate at Claremont McKenna College. And the idea is that Brookings, along with Claremont McKenna, will come together to apply for the opportunity to host a presidential debate.

So civil discourse is something that is guiding us. I'm personally very inspired by the way we've been able to handle this debate today. And maybe -- maybe -- some of my former colleagues in the Capitol might listen and just the process through which we went today was, I hope, very instructive for the institution.

So thank you all very much again for being here. (Applause)

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2016