

Statement of  
**The Honorable Patrick Leahy**

United States Senator  
Vermont  
July 29, 2003

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Subcommittee on Immigration and Border Security  
Hearing on "The L1 Visa and American Interests  
in the 21st Century Global Economy"  
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The L-1 visa has become quite controversial in recent months, and today's hearing provides an opportunity for this Committee to examine that controversy. This visa was created to make it possible for international companies with a presence in the United States to bring their employees here, an important purpose if used properly. Recently, however, there have been numerous allegations that the visas have not been used as Congress intended.

Business Week reported in March that L-1s are being used widely by software outsourcing companies, who bring IT workers from abroad and place them at U.S. companies. According to a State Department spokesman quoted in the story, it is not permissible to use L-1's for outsourcing, but thousands have nevertheless been used for that purpose.

It is noteworthy that even as the American economy has weakened dramatically - and unemployment has risen rapidly - over the last three years, the number of L-1 visas has increased substantially. During the first five months of FY2003, for example, L-1's increased by 10 percent while H-1B's fell by 17 percent.

I think we all want to ensure that American companies are not prevented from bringing their international employees here to work, as such a move could further weaken our economy. At the same time, I am deeply concerned by reports that L-1 visas are being used to displace American workers with contract employees making a fraction of their salaries, or to evade the stricter requirements of H-1B visas. This is a complicated issue, and I believe it is important for us to study it thoroughly before we make changes to the law. We have heard disturbing anecdotal reports about abuse of the L-1 visas, but we should determine the program's problems more systematically. I hope that today will serve as the beginning of that process.

I also hope that as we review this program and the H-1B program, we will also review the temporary entry provisions that are contained in the Free Trade Agreements with Chile and Singapore that are currently pending before the Senate. I believe that we should revisit those changes as we examine our other temporary entry programs during this Congress. I think that one thing that unites us on this Committee is the idea that Congress has the constitutional

authority to make immigration policy, and we should do all that we can to exercise that authority thoughtfully.