

## Business Intelligence

# Immigration Stalemate Threatens Seasonal Small Businesses



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Thursday, March 20 2008

In the coming weeks, tens of thousands of Americans will be taking a spring break from the relentlessly bad news about the economy and uncertainty about the future. But wherever they go, the nation's economic problems will be waiting for them.

Small businesses that rely on seasonal workers -- from resort area restaurants and hotels, to Louisiana seafood processors, to California's sprawling farms -- are facing an acute labor shortage that could disrupt harvests, cause long waits for service, or even curtail the summer season at resorts from Newport, R.I., to Miami's South Beach. The reason, in a word, is politics.

International workers need what's known as an H-2B visa to come to this country legally to fill seasonal jobs. Current federal law only allows 66,000 H-2B visas a year. As a result, Congress has routinely passed a bill every year since 2005 to lift the limit so small businesses can hire the workers they need. Last year, more than 120,000 foreign workers entered the U.S. on H-2B visas.

But the long-simmering immigration debate in Washington has reached a bitter stalemate. The visa bill is caught in a congressional logjam, and without it, small businesses will be strapped to find workers for their busiest and most profitable months. In the latest National Federation of Independent Business (NFIB) monthly survey, 20 percent of small businesses report having unfilled job openings, and 12 percent say that finding qualified labor is their biggest problem.

For someone like Elizabeth Connor, general manager for the Hotel Manisses in Rhode Island, the situation means trouble. She recently told local reporters that her company's three hotels, which have a total of 130 employees, would lose 25 workers from Jamaica who come to the United States every year to work for her.

In Southern Louisiana, the situation is considered a full-blown economic crisis. Hundreds of small businesses, including seafood processors, rice and sugar farms, and construction crews, rely on H-2B workers. "We've already seen where the slowdown in the peeling plants has caused the crawfish farmers problems," Michael

Hensgens, a legislative lobbyist for local crawfish processors told local reporters recently. Because processing plants don't have the workers to handle the catch, they are refusing to buy crawfish, causing the price to drop. "They're literally having to dump crawfish back into the ponds," said Hensgens.

In Annapolis, a summer tourist destination that also doubles as Maryland's state capital, local elected officials recently held a forum on the reams of federal laws governing foreign-born employees. More than 100 employers who attended were warned that hiring an international worker without a green card or H-2B visa could result in a \$1,000 fine per infraction, or even jail time.

In times past, of course, local high school and college kids often took these summer jobs. But that era is long gone. Most young Americans are focused on careers and seek out one of the thousands of summer internships offered by companies. Or they simply choose not to do the manual labor that these jobs often require. To make sure Americans aren't passed over, businesses must jump through a number of hoops before they can hire foreign workers. They must spend 60 days attempting to hire American-born workers before seeking an H-2B visa, and can only apply for the visa during a 120-day period before they need to fill a job.

It's a distressing situation for small businesses made all the more frustrating because a simple solution exists. President Bush could sign an executive order lifting the ban, or House Speaker Nancy Pelosi (D-Calif.) could order the legislation to the House floor for a vote. But so far neither option seems likely.

In the House, the 21-member Congressional Hispanic Caucus is blocking consideration of the bipartisan visa bill to force action on a broader immigration measure. In deference to the coalition, Pelosi is refusing to act, even though the visa bill has 141 cosponsors. In a drastic move, Rep. Charles Boustany, R-La., recently filed a resolution to bring the matter up for a vote. If the House fails to act by Easter, which is likely, he will be free to file a "discharge petition" that would force the bill out of committee. But the petition needs 218 votes to succeed. It will also require House Democrats to defy their leadership, which many will be reluctant to do.

Republican lawmakers are also said to be privately lobbying the president, but so far there is no word on whether he plans to act. The NFIB entered the fray this week in an effort to call public attention to the problem. Meanwhile, small businesses are left in the lurch. Of the 66,000 visas allowed under the law, all were distributed as of January.

That means most seasonal summer businesses are already out of the running for visas. Congress needs to set aside its feuding and act on this measure as soon as possible, or President Bush needs to exert his authority to break the logjam. The only other alternative is for small businesses to hire undocumented workers to fill critical openings, and that's no solution at all.