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— Sheridan Bailey, a founder of Arizona Employers for Immigration Reform



By Rick Smith, AP

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— Louis Barletta, mayor of Hazleton, Pa.

By Christine Keith, The Arizona Republic, for USA TODAY

Sheridan Bailey: The president of Ironco Enterprises has raised wages to \$20 an hour from \$15, but still can't find workers.

Immigration debate squeezes some businesses

Cities, states passing rash of laws on illegal aliens

By Sue Kirchhoff
USA TODAY

WASHINGTON — Mayor Louis Barletta of Hazleton, Pa., issued a glowing proclamation in October recognizing “Local Chamber of Commerce Month” in his small town and praising the group’s vital work on behalf of business.

This week, he’s in federal court fighting the powerful U.S. Chamber of Commerce, which wants to kill a Hazleton ordinance penalizing employers who hire illegal aliens. The court’s ruling on the law, which

other cities have imitated, could have major repercussions for U.S. immigration policy.

“Unfortunately for some, this is more about business profiting from illegal aliens,” Barletta says of the Chamber’s decision to join the American Civil Liberties Union in challenging the measure, which also makes English Hazleton’s official language and punishes landlords who rent to illegal immigrants.

“We’re fighting for more than Hazleton now,” Barletta says. “If we win, cities across the country win.”

The Hazleton case exemplifies the growing tension between business and lawmakers as voters clamor for muscular action on illegal immigration, and state and local officials respond by passing a rash of laws governing hiring, public services, housing, language and use of financial services.

Cover story

More than 80 cities have considered ordinances similar to Hazleton’s, the ACLU says. Nearly 600 immigration-related bills were introduced in state legislatures last year, and at least 84 new laws were enacted, according to the National Conference of State Legislatures. Federal officials are stepping up workplace raids, and Congress soon could launch an effort at a major immigration overhaul.

Businesses are hoping Congress will break the deadlock on immigration policy this year, worried that without new uniform national standards, they will be subject to hundreds of laws that increase their legal exposure, make it tougher to attract high-skilled workers and foreign capital, or sell to the im-

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Mishmash of state laws is 'causing great confusion'

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migrant market.

To bolster political clout, business leaders are forming unlikely alliances with Hispanic, religious and civil rights groups, and labor unions. They're often battling Republican lawmakers, such as Barletta, normally their free-market allies.

"From bad law comes all variety of perversions or disruptions and distortions: people dying in the desert to try to get work, employers not talking to each other or legislators for fear of becoming an (enforcement) target or the target of the Minutemen," an anti-immigration group, says Sheridan Bailey, a founder of Arizona Employers for Immigration Reform.

Bailey, president of Phoenix steel fabricator Ironic Enterprises, has raised wages to \$20 an hour from \$15, but still can't find workers.

He fears that some of his employees could be in the country illegally — given estimates that as many as 12 million undocumented immigrants are in the USA — though he complies with workplace laws. He also faces the possibility of tougher state measures, including one requiring businesses to swear they haven't knowingly hired an illegal worker.

A growing movement

Bailey's fledgling group, which advocates a federal temporary guest-worker program and "sensible enforcement," has 50 members and 150 on an e-mail list.

There are similar efforts:

► The Texas Association of Business last month announced an expanded coalition, including the Mexican American Legislative Caucus, the Texas Employers for Immigration Reform and the American Civil Liberties Union, to fight an "onslaught of anti-immigrant legislation." The group wants lawmakers to hold off and let Congress act.

There are several immigration bills in the Texas Legislature, including proposals to charge a fee on "remittance" money sent to immigrants' home countries and to deny benefits to illegal immigrants' children who are born in the USA.

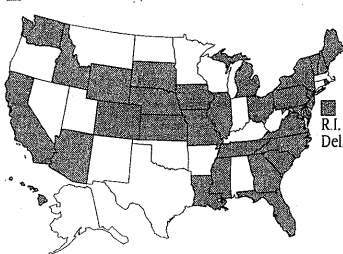
► Texas Democratic Sen. Royce West, who introduced the remittance bill, resents being lumped into the category of immigrant-basher. His measure would use proceeds from the fee to fund health care for the indigent, including undocumented aliens.

"You can only raise so much money from the traditional sources; you've got to find other sources that are fair to everyone," West says. His bill doesn't single out immigrants, but the fast-growing remittance sector is fueled by immigrant dollars.

► Florida TaxWatch last month organized an immigration and visa policy summit of Realtors, the hospitality industry, farm interests, contractors and others. They are now forming a coalition to address issues from workers to foreign investment and visa policy. Restrictions on foreign travel or investment are of high

States that enacted immigration laws in 2006

■ Laws enacted in 2006



Source: National Conference of State Legislatures
By Adrienne Lewis, USA TODAY

Thirty-two states passed laws on immigration in 2006:

Total bills	State	Topic	Bills per topic
4	Arizona	Public benefits	2
		Resolution	2
3	California	Legal services	1
		Public benefits	2
17	Colorado	Employment	5
		Identification	2
		Law enforcement	2
		Public benefits	2
		Trafficking	5
1	Delaware	Voting/elections	1
		Voting/elections	1
2	Florida	Identification	1
		Trafficking	1
3	Georgia	Omnibus ¹	1
		Misc.	1
		Resolution	1
3	Hawaii	Public benefits	1
		Trafficking	1
		Misc.	1
3	Idaho	Employment	2
		Misc.	1

interest in Florida, where 15% of housing is owned by foreign nationals.

"Most of what we're hearing about the immigration issue is enforcement, enforcement, enforcement. That's always the easiest way to deal with issues; it's not always the best," says Roy Bedard, president of RRB Systems International, a member of the group's steering committee. Bedard, whose firm trains police officials, wants "comprehensive, not one-sided reform."

► At the federal level, the U.S. Chamber of Commerce, National Council of La Raza, Service Employees International Union and U.S. Conference of Catholic Bishops, among others, are seeking an immigration bill that includes a path to permanent residence for undocumented workers, tougher enforcement and adequate visas for foreign workers.

Some back tougher policies

While the business community is vocal, it's hardly monolithic. Some say their colleagues have been too willing to turn a blind eye to abuses of immigration law. A number of recent high-profile immigration raids have turned up widespread abuses of immigrant labor and guilty pleas.

Rod Gallagher, president of Virginia School Equipment in Lynchburg, Va., has signed on to a campaign by advocacy group Federation for American Immigra-

7	Illinois	Law enforcement	2
		Resolution	5
1	Iowa	Trafficking	1
2	Kansas	Employment	1
		Legal services	1
3	Louisiana	Employment	1
		Resolution	2
4	Maine	Identification	1
		Legal services	1
		Public benefits	1
		Trafficking	1
		Trafficking	1
1	Maryland	Public benefits	1
1	Michigan	Trafficking	1
1	Mississippi	Trafficking	1
2	Missouri	Identification	1
		Voting/elections	1
1	Nebraska	Education	1
1	New Hampshire	Voting/elections	1
1	New Jersey	Law enforcement	1
2	New York	Employment	1
		Resolution	1
3	North Carolina	Trafficking	1
		Misc.	1
1	Ohio	Resolution	1
		Law enforcement	1
1	Pennsylvania	Employment	1
1	Rhode Island	Public benefits	1
1	South Carolina	Identification	1
2	South Dakota	Law enforcement	1
		Voting/elections	1
2	Tennessee	Employment	1
		Legal services	1
1	Vermont	Legal services	1
5	Virginia	Education	1
		Law enforcement	1
1	Washington	Trafficking	1
		Voting/elections	1
2	Wyoming	Misc.	1
		Employment	2
2	Wyoming	Education	1
		Misc.	1

1 - multiple topics, including work authorization, trafficking, public benefits and others; Source: National Conference of State Legislatures

tion Reform (FAIR), under which businesses voluntarily certify the legal status of their workers.

In return for checking employee information against a special federal database and weeding out workers whose documents don't pan out, Gallagher can call his 14-person firm FAIR-approved.

"We want to take a stance and say who we are, and try to differentiate ourselves and use it as a selling feature," says Gallagher, whose company designs and installs gyms, auditoriums and classrooms. His workers range from carpenters to designers, and he says he's at a disadvantage compared with firms that hire lower-cost immigrant labor.

FAIR hopes businesses will use its seal of approval as a selling point, comparing it with efforts to build a market for such specialty goods as organic food.

"The perpetrator of illegal immigration in this country is the U.S. business community," says Susan Tully, organizing the campaign for FAIR. "Twenty years ago, it was not OK to hire illegal aliens. ... Now, blatantly, U.S. businessmen not only hire them, but they encourage it."

Immigrants in labor force

How important is the immigration issue to business?

Commerce Secretary Carlos Gutierrez told a Senate hearing recently that immigrants account for 15% of



Voices heard: Members of the Hispanic community gather on the steps of City Hall in Hazleton, Pa., during a candlelight vigil on July 12, 2006. Hazleton has an ordinance penalizing employers who hire illegal aliens.
By Kristen Muller, The Wilkes-Barre, Pa. Citizens' Voice, via AP

the U.S. workforce and about half of labor-force growth since 1996. Opponents of immigration cite millions of low-skilled workers coming into the country illegally. But in high-skilled professions such as computers, mathematics, engineering, architecture and science, immigrants account for more than 40% of workers with Ph.D.s, Gutierrez noted.

Last year, more than 30 states passed legislation dealing with issues related to illegal immigration.

The bulk of proposals introduced in legislatures deal with such things as requiring documentation to get a driver's license, state job or service; making English the official language; setting tougher penalties for companies that knowingly hire illegal workers; and cracking down on hiring centers for day laborers, according to the National Conference of State Legislatures.

Still, in a USA/TODAY Gallup Poll conducted March 2-4, three-fourths of respondents said the federal government hadn't gone far enough on immigration, and 69% said states hadn't done enough.

Businesses disagree, saying the efforts are inflating costs and creating confusion. One example is the HR Initiative for a Legal Workforce, a new coalition of human resource organizations that will lobby Congress. The group, advertising in Capitol Hill newspapers, is pressing for a simple and workable employee-verification system.

Another catalyst is the proliferation of state laws. The number of new state mandates aimed at preventing the hiring of illegal workers is "causing great confusion for employers with sites in multiple states," says Lynn Shotwell, executive director of the American Council on International Personnel.

The importance of the issue extends far beyond the workforce. The 41 million Hispanics in the USA are a major market. Hispanic spending power will hit \$863 billion in 2007, an 8% rise from 2006, according to the University of Georgia's Selig Center for Economic Growth.

English-only mandates, taxes on services such as remittances and other measures send a message that immigrants are not welcome customers, business owners say.

"It's a way of legislating a very exclusionary ... attitude to business," says Tricia Juhn, director of the Financial Services Practice at InfoAmericas, a research firm that specializes in Hispanic and Latin American markets. "It makes it sound like we're doing a favor to these immigrants by letting them bank with us — that's really not the case."

Contributing: Kathy Kiely