

**Statement of**  
**Kathleen Campbell Walker**  
**Chair - Greater El Paso Chamber of Commerce**  
**On**  
**Economic Security and the Critical Need for Immigration Reform**  
**Before the**  
**Ad Hoc Hearing of Members of the Congressional Border Caucus**  
**Concerning**  
***The Voice of Border Communities in the Immigration Debate***

**El Paso City Council Chambers**

**September 16, 2013**

**El Paso, Texas**

Representatives O'Rourke, Grijalva, and Vela, I am Kathleen Campbell Walker. I am honored to have the opportunity to appear before you today concerning the pivotal issue of the economic impact of immigration reform and our failure to act. I currently serve as Chairman of the Greater El Paso Chamber of Commerce and a shareholder with the Cox Smith Matthews Incorporated law firm. I am former national president (2007-08) and general counsel (2009-10) of the American Immigration Lawyers Association (AILA). AILA is the immigration bar association with more than 13,000 members who practice immigration law. Founded in 1946, the association is a nonpartisan, nonprofit organization and is an affiliated organization of the American Bar Association (ABA).

Being from El Paso and practicing immigration law here for over 27 years, this area has provided a unique lesson into the reality of border security and its impact on the businesses and people in this cross-border location. My practice has focused on business based immigration issues, worksite enforcement and compliance, consular processing, admissions, naturalization, citizenship, and family based cases. I previously served as the president for four years of the El Paso Foreign Trade Association, during which time we worked on the creation of the first dedicated commuter lane (DCL) in the State of Texas in El Paso. This DCL project was funded based on a private public partnership among the Greater El Paso Chamber of Commerce Foundation, the City of El Paso, and the Government Services Administration.

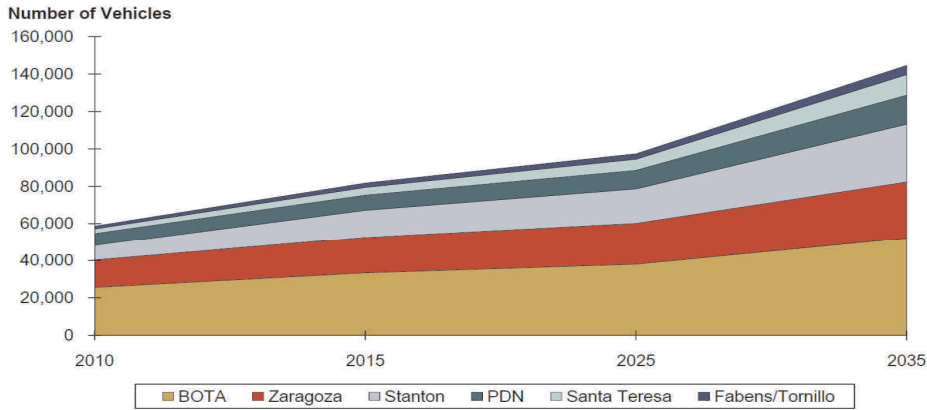
### Background

While the Federal Reserve Bank debates tapering its quantitative easing policy to assist the U.S. economy, a critical factor remains the job market in the U.S. In addition, Congress is facing its on-going challenge to fund government operations by October 1 or yet again face a potential shut down. Unless Congress approves new spending bills to replace those expiring, by mid-October, the U.S. Treasury Department will lose the borrowing authority to finance the government and pay its debts.

So with such critical economic challenges, why would border communities and businesses support any sort of comprehensive immigration reform? Why shouldn't border security – based on some reasonable definition – be a prerequisite to further legal fixes? It is because border communities bear witness to the results from a non-integrated approach to the variety of issues which impact our community and economic strength. We know that improvements in pedestrian and passenger vehicle admissions can help in the commercial traffic arena. We also know funding fences in isolation from fixing the legal impediments to family unity only decrease our economic integrity.

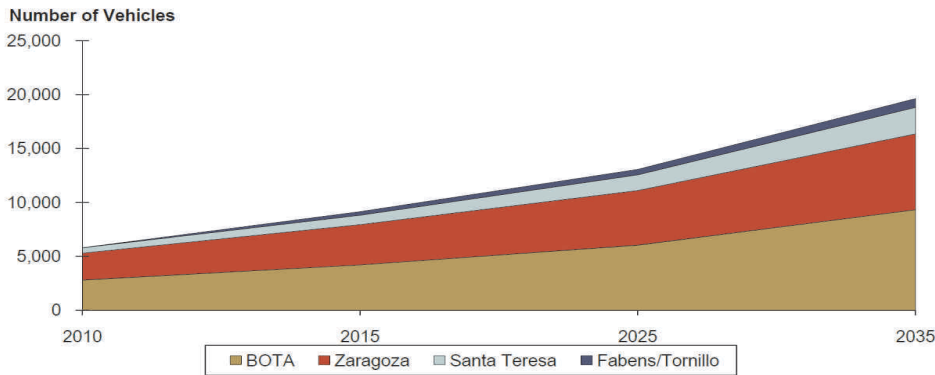
### What the Studies Tell Us

In June of 2011, the Texas Department of Transportation released a report entitled, "The El Paso Regional Ports of Entry Plan." The report found that the El Paso/Cd. Juarez region is the second largest metropolitan area on the U.S./Mexico border with a combined population of approximately 2 million, which is expected to grow to more than 3.4 million by 2035. Based on this projected growth, border wait times are projected to continue to grow and place the current cross-border system at operational capacity in 2035.



Source: Cambridge Systematics based on 2010 U.S. Customs and Border Protection counts and UTEP Border Region Modeling Project demographic data and cross-border growth forecasts.

**Anticipated Daily North and Southbound Passenger Volumes**  
2010 to 2035



Source: Cambridge Systematics based on 2010 U.S. Customs and Border Protection counts and UTEP Border Region Modeling Project demographic data and cross-border growth forecasts.

**Anticipated Daily North and Southbound Commercial Volumes**  
2010 to 2035

The Study found that if the congestion and wait times at our ports of entry were not addressed before 2035, that the economy of the area would contract by 21.8 percent (\$54 billion) and cause a net job loss of about 17.4 percent (850,000) jobs. In addition, due to loss of competitiveness from border wait times at the ports of entry, it is also anticipated that businesses in the area will reduce production or potentially relocate. Border work commute delays were also estimated to cause a potential 2.6 percent loss in El Paso’s economic activity by 2035.

The July 24, 2013 Government Accountability Office report (GAO-13-603) entitled, “U.S.-Mexico Border: CBP Action Needed to Improve Wait Time Data and Measure Outcomes of Trade Facilitation Efforts,” reviewed over 100 identified studies regarding the economic impact of commercial traffic wait times on cross-border commerce. The consistent theme was that border wait times and cross border processing inefficiencies were causing significant economic losses to the U.S. economy as a whole in revenues and jobs

Customs and Border Protection (“CBP”) has stated that federal appropriations have not kept pace with the agency’s needs and indicated that \$6 billion is needed to fully modernize the land ports of entry along the U.S.<sup>1</sup> The “State of the Border Report regarding a Comprehensive Analysis of the U.S.-Mexico Border,” released in May of 2013 by the Wilson Center’s Mexico Institute in collaboration with the North American Center for Transborder Studies of Arizona State University, and El Colegio de la Frontera Norte found that seventy percent of the bilateral commerce between the U.S. and Mexico crosses the border via commercial trucks. But the infrastructure and capacity of the land border ports of entry to process goods and individuals entering the U.S. has not expanded to address the increase in bilateral trade and population growth of the border region. Since goods often cross the border several times during the manufacturing process, the process only multiplies the impact and losses from cross-border efficiencies.

In addition, the Wilson Center report points out that eighty-five percent of Mexican nationals travel to the U.S. through the land ports of entry. From 2007-08, Mexican visitors spent \$2.69 billion in Arizona and generated 23,400 direct jobs and 7,000 indirect jobs to the state.

This information supports the conclusion that our economic strength can be aided by fixes to both the commercial and human side of the immigration reform equation.

#### The Economic Benefits of Potential Immigration Reform on Texas Families

The White House issued a fact sheet regarding the potential impact of immigration reform on the State of Texas in August of 2013.<sup>2</sup> Some of the important findings are as follows:

- According to Regional Economic Models, Inc., reforms like the Senate bill provide a pathway to earned citizenship and expand high-skilled and other temporary worker programs, which would together boost Texas’s economic output by \$3.8 billion and create approximately 43,097 new jobs in 2014. The boost to Texas’s economic output by 2045 would be around \$18.9 billion, in 2012 dollars.
- Texas’s labor force is 21.1% foreign-born. In 2009, immigrants accounted for 21% of total economic output in the Houston metropolitan area.
- According to Regional Economic Models, Inc., providing a pathway to earned citizenship and expanding high-and low-skilled visa alternatives will increase total personal income for Texas families by \$15.2 billion in 2020
- Immigration reform measures would have increased the state and local taxes paid by immigrants in Texas by approximately \$92 million in 2010, according to one study.
- Foreign farm workers accounted for 35% of all farm workers in Texas between 2007 and 2011. According to one study, an expanded temporary worker program – similar to the one provided by the Senate bill – would result in 4,721 new jobs for U.S. citizens and immigrants (including jobs not only in agriculture, but also retail trade, construction, and other sectors) in Texas and increase Texas’s real personal income by \$286 million in 2012 dollars by 2020.

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<sup>1</sup> Mikhail Pavlov, CBP, Department of Homeland Security (DHS), “Meeting Land Port of Entry Modernization Needs in Constrained Budgetary Environment,” presentation to the Joint Working Committee, March 14-15, 2012, <http://www.borderplanning.fhwa.dot.gov/filemanager/filemanager.aspx>.

<sup>2</sup> [http://www.whitehouse.gov/sites/default/files/docs/stateports/The%20Economic%20Benefits%20of%20Fixing%20Our%20Broken%20Immigration%20System\\_Texas.pdf](http://www.whitehouse.gov/sites/default/files/docs/stateports/The%20Economic%20Benefits%20of%20Fixing%20Our%20Broken%20Immigration%20System_Texas.pdf)

- The Congressional Budget Office (“CBO”) estimated that, enacting the Senate immigration reform bill will increase national real Gross Domestic Product (“GDP”) by 3.3 percent in 2023 and 5.4 percent in 2033, which would increase the size of the U.S. economy by approximately \$700 billion in 2023 and \$1.4 trillion in 2033 in today’s dollars.<sup>3</sup>
- The CBO found that the enacting the Senate immigration reform bill would reduce the federal budget deficit by nearly \$850 billion over the next 20 years.
- The CBO estimates that the enactment of S. 744 would result in 10.4 million more U.S. residents by 2023. In addition, the CBO also estimates that about 8 million unauthorized residents would gain legal status under the legislation, but that this change would not affect the size of the overall U.S. population.
- As to fiscal impact, the CBO estimates the Senate immigration bill would reduce deficits by \$175 billion over the first 10 years, and increase spending by \$262 billion between 2014 and 2023, by requiring new border security measures. The bill would also increase revenue, however, by \$459 billion as those given legal status and newly admitted temporary workers pay taxes. In the second 10-year period, the deficit would decrease by an additional \$700 billion.
- The Social Security Administration (“SSA”) Actuary estimated that the Senate’s immigration reform bill would add nearly \$300 billion to the Social Security Trust Fund over the next decade and would improve Social Security’s finances by extending Social Security solvency by two years.<sup>4</sup>
- The Partnership for a New American Economy found that immigrants started 28 percent of all new U.S. businesses in 2011, although totaling only 13 percent of the U.S. population. 24.9 percent of Texas business owners are immigrants, generate approximately \$10 billion in income for Texas each year.<sup>5</sup>
- Passing the Senate bill will raise the “wage floor” for all workers—especially in industries in which large numbers of low-wage, unauthorized immigrants currently work. According to the Institute on Taxation and Economic Policy, immigration reform would have increased state and local taxes paid by Texas’s immigrants by approximately \$92 million in 2010 – from \$1.6 billion to \$1.7 billion.<sup>6</sup>

The U.S. Chamber of Commerce has noted the following regarding our current immigration law functionality regarding encouraging business:

- Less than 6% (about 59,000) of the approximately 1 million new lawful permanent residents in the U.S. each year are workers selected based on their skill sets and jobs they will perform in the U.S.
- A professional worker born in India with a U.S. Bachelor’s degree must wait ten years or more for permanent resident status after a sponsoring employer documents

<sup>3</sup> The Economic Impact of S. 744, Border Security, Economic Opportunity, and Immigration Modernization Act, Congressional Budget Office Report (June 2013), <http://cbo.gov/sites/default/files/cbofiles/attachments/44346-Immigration.pdf>.

<sup>4</sup> Office of the Chief Actuary, Social Security Administration. “Response to The Honorable Marco Rubio’s request for estimates of the financial effects on Social Security of S. 744, the ‘Border Security, Economic Opportunity, and Immigration Modernization Act.’” June 28, 2013. [http://www.ssa.gov/OACT/solvency/MRubio\\_20130627.pdf](http://www.ssa.gov/OACT/solvency/MRubio_20130627.pdf)

<sup>5</sup> Data from Partnership for a New American Economy’s “Map the Impact” project. <http://www.maptheimpact.org/>

<sup>6</sup> Institute on Taxation and Economic Policy (“ITEP”), “Undocumented Immigrants’ State and Local Tax Contributions.” July 2013. <http://www.itep.org/pdf/undocumentedtaxes.pdf>

that U.S. workers are not available for the position. The worker cannot be promoted until the immigrant processing is completed. Many of these talented workers lose hope and take their skills to other countries, where they create new products and jobs for America's global competitors.

- In the first 5 days of April 2013 all of the H-1B visa numbers for specialty occupation positions for fiscal year 2014 were used.
- Of the nation's 6.05 million employers, about 7.5% use the E-Verify employment verification system of DHS. Businesses must have a workable, easy to use, and predictable verification system to enable and encourage compliance.
- Approximately seventy percent of U.S. agricultural workers are undocumented even with the existence of the H-2A program due to the complexity and unworkability of the category.
- Current immigration law provides no options for lesser skilled workers to enter the U.S. temporarily to perform duties in year-round positions. The highest expected percentage of job growth in the U.S. through 2020, however, is predicted to be in low and moderate skilled jobs for which we have an insufficient number of U.S. workers.

While the current house legislation does not address providing legal status for the estimated 11 million undocumented individuals in the U.S. and thus myopically ignores the "elephant in the room," the SKILLS Visa Act approved by the House Judiciary Committee does include the following benefits among others from a business perspective:

- Establishes a new pool of permanent resident visa numbers for foreign nationals earning U.S. Ph.Ds and Master's degrees in Science, Technology, Engineering, and Math ("STEM") fields.
- Eliminates the per country visa number caps creating lengthy waits for employment based permanent residence.
- Increases the number of H-1B visas from 65,000 to 155,000 and tightens current prevailing wage rules.
- Reserves 4,000 employment based visas for certain healthcare workers.
- Provides work authorization for certain nonimmigrant spouses.
- Creation of a new entrepreneur category for permanent residence.

The Legal Workforce Act mandates the use of E-Verify but preempts state and local laws, ordinances, or regulations concerning the hiring, continued employment, or status verification of workers. The Agricultural Guestworker Act would establish a new H-2C program to include employment for a maximum of three years in nonseasonal jobs.

The proposed 2013 bills marked up in the House Judiciary and Homeland Security Committees contain and S. 744 contain numerous negative provisions from a business perspective as well. Certainly, the Senate bill and the House bills are still a work in progress, but failure to work out a reasonable solution abdicates responsibility for security the country's economic and national

security. The current economic uncertainty in the U.S. underscores clearly that the time is now for the political courage to make the hard choices necessary to change the status quo concerning our immigration law and enforcement practices from dysfunction to serving the country's economic, security, and humanistic needs.