

## **L-1 Visas and U.S. Economic Growth: Preserving and Strengthening the Intracompany Transferee Visa Category**

For almost 35 years, the L-1 visa has been a vital tool for both U.S. companies with an international presence, and international firms expanding into the U.S. The L-1 visa has done much to build the U.S. economy by fostering foreign investment in the U.S. It is one of the principal immigration vehicles foreign companies use to build U.S. factories, open offices, and hire significant numbers of U.S. workers to staff their U.S. operations. Unless foreign companies are able to bring key personnel to their American operations, they are unlikely to establish or expand their presence in our country, inflicting serious damage on the U.S. economy. U.S. companies, in turn, will be hurt by the undermining of reciprocal agreements that now allow the transfer of U.S. employees and the growth of U.S. companies abroad.

Several proposals in recent years have aimed to restrict use of the L-1 visa, unnecessarily limiting its legitimate use, thereby diminishing the economic competitiveness of U.S. companies, impeding foreign investment in the U.S., and resulting in the loss of American jobs. These proposals are harmful to the U.S. economy and are derived from misunderstandings and misinformation regarding the L-1 visa program. To set the record straight, here is some information on how the L-1 visa benefits the American economy and why it is necessary to preserve this vital visa category:

- **Small Numbers, Profound Effect:** Although small in number, L visa holders have had a tremendous positive impact on the American economy because the visa is a vital tool used by foreign investors. Such investment has been responsible for creating and/or sustaining more than 6.5 million jobs for U.S. workers. The job-creating potential of foreign investment (which largely depends on L visas) explains why many Governors actively recruit foreign companies to develop plants and offices in their states.
- **Expanding Market Potential:** U.S. companies often want to upgrade and tailor the designs of their product lines for sale in foreign markets. In order to meet this objective, design engineers from foreign companies, who frequently possess critical technical expertise and knowledge that American workers don't have, are brought in using the L-1 visa for a two-year period to guide the upgrade and redesign process.
- **Transferring Knowledge:** Many U.S.-based multinational companies with facilities around the world rely on the L visa category to transfer key foreign personnel with specialized knowledge of the research, development, and implementation projects such companies undertake. These companies also use the L visa category as part of a global strategy to rotate managers through their other facilities.
- **Opening New U.S. Companies:** The L-1 visa category enables many companies to bring in key personnel to institute procedures, policies, and U.S. operations of foreign-based companies. The transferred personnel allow the U.S. branches of these companies to apply the management and training methods for specialized equipment and procedures developed at the head office abroad. Without the L-1 visa category, these companies would have tremendous difficulty setting up their operations in the U.S., and would not make this investment in our economy.