

COVER STORY

No Entry

Hopes have dimmed for an immigration overhaul this year, and while Republicans like their odds for 2014, the economic and political consequences could hurt the party for 2016 and beyond

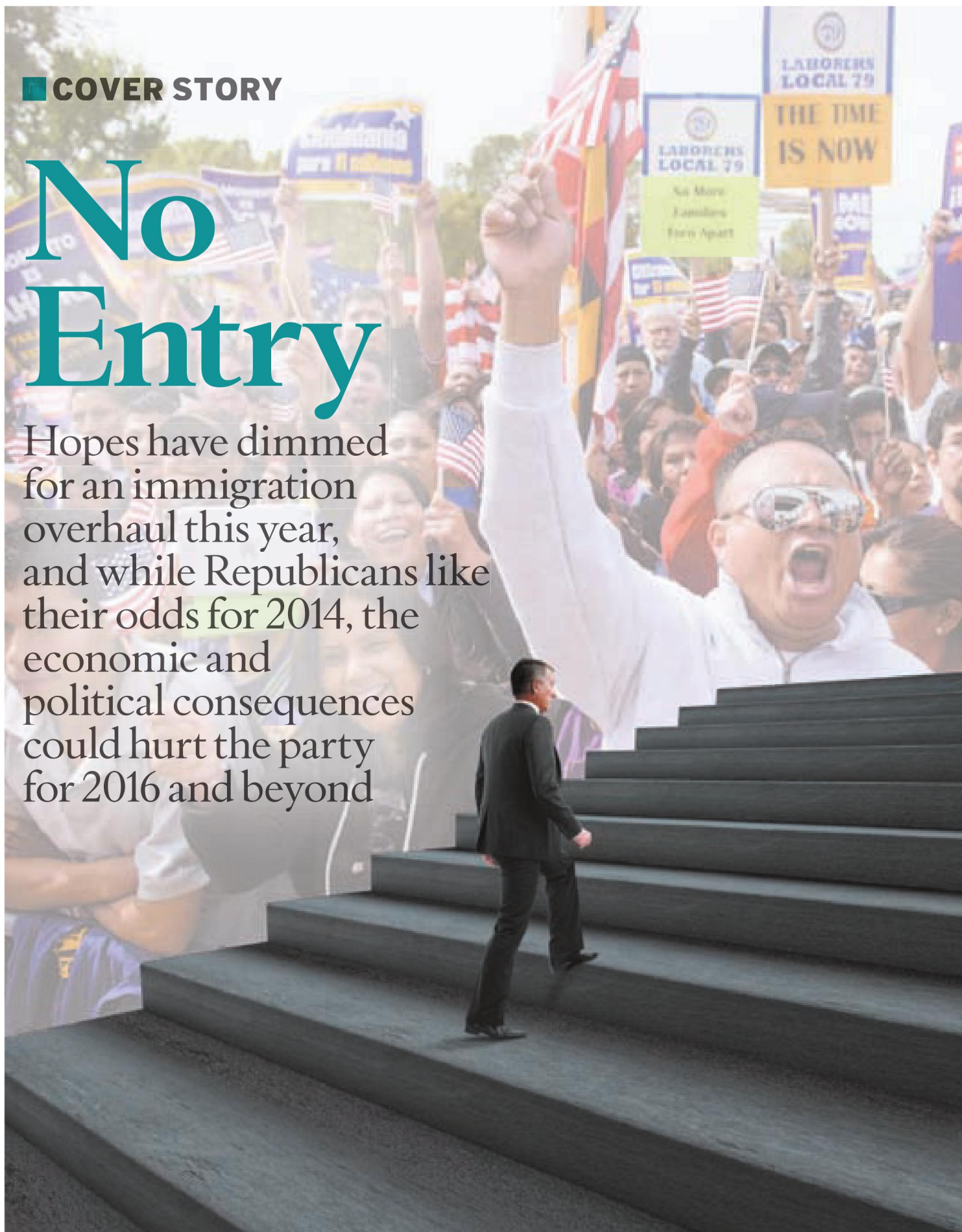


ILLUSTRATION: MARILYN GATES-DAVIS/CQ ROLL CALL;
PHOTO: TOM WILLIAMS/CQ ROLL CALL

BY ELIZA NEWLIN CARNEY

WITH HIS TACIT admission that Congress will not overhaul the immigration system this year, House Speaker John A. Boehner has won a temporary truce within his party, and the chance at a midterm election season unmarred by GOP infighting on the issue.

But Boehner's immigration cease-fire, while it may reap rewards for Republicans on Election Day 2014, could come at a heavy price politically and economically. Having effectively removed immigration from the table, members of Congress — particularly Republicans — are now facing the fallout.

Prominent business leaders, many of them longtime GOP allies and donors, are livid that House Republicans have not acted on immigration changes that employers say are crucial to the economy. The status quo may not push the country into recession, economists agree, but it will perpetuate the slow growth, stagnant wages and underemployment that burden the nation.

"Business leaders, I can tell you, are very frustrated," says Carlos Gutierrez, who was Commerce secretary under President George W. Bush and is now chairman of Republicans for Immigration Reform, a super PAC. "I have spoken to business leaders for the past year on immigration reform. They are tremendously frustrated for policy reasons and for political reasons. And these are business leaders who are also big donors."

On Capitol Hill, the immigration debate has accentuated the struggle between tea party-allied Republicans and more pragmatic legislative leaders within the GOP. Having articulated a series of immigration "principles" that he vetted in late January at his party's annual retreat in Cambridge, Md., Boehner did an abrupt turnabout within days. Moving a bill would be "difficult," he declared on Feb. 6, given "widespread doubt" in the party that President Barack Obama would enforce whatever laws are enacted.

Immigration legislation still has a chance, if a slim one, at passage in this Congress. Although the GOP-led House will not take up the comprehensive bill passed by the Senate last year, a few narrowly drawn House bills remain within reach. One potential deal would trade tighter border security for legal status for undocumented immigrants, although it lacks any special path to citizenship.

A Feb. 25 White House meeting between Obama and Boehner touched on immigration, but failed to produce any sign of a breakthrough. Reactions to the immigration plan at the GOP retreat were mixed at best. A CQ Roll Call survey last week found only 19 House Republicans willing to say "yes" on the record that they support Boehner's immigration principles. And Republicans' midterm strategy is increasingly clear: Keep the peace in the party; capitalize on the unpopularity of the health care law and its troubled rollout;

and stick to legislative action in areas that don't inflame conservatives, such as natural-gas development and federally funded health or science research.

WORKING THE ODDS

This strategy makes sense to many Republicans. Polls show they are in striking distance of winning the Senate, where immigration appears to be a factor in only one race — Democrat Kay Hagan's difficult re-election bid in North Carolina. Only a handful of Republican House members in California might be vulnerable because they represent districts that have large immigrant populations and that voted for Obama in 2012. While opinion polls show that Americans

favor an immigration policy overhaul, they continue to view jobs and the economy as more important.

Democrats, too, face new internal pressures as expectations of an immigration overhaul fizzle. Many leading activist organizations have shifted their focus from Congress to the White House and are demanding that Obama halt deportations. Administration figures show a record 1.9 million deportations since Obama took office — a number that some conservatives say is inflated. As the midterms approach, Democrats on Capitol Hill can be expected to urge Obama to take steps that would rally their party's liberal base but that would

enrage Republicans and further hinder legislation.

Republicans, however, face the far greater risk, say political strategists who warn that the GOP's short-term gain could spell long-term pain. Even if Republicans retain control of the House this fall and pick up the six seats they need to control the Senate, the presidency will remain elusive in 2016, some political experts and GOP politicians say, if Republicans are perceived as anti-immigrant.

"If we don't pass immigration reform," Republican consultant and former House leadership aide John Feehery wrote in a blog post, "we will not win the White House back in 2016, 2020 or 2024."

Demographic changes will virtually double the number of Hispanic voters by 2030, by some estimates, gradually turning even conservative states and gerrymandered House districts more purple — more evenly divided between Republicans and Democrats. Republicans could win the Senate in 2014 only to lose it again in 2016, when two dozen GOP Senate seats will be up for election, more than a half-dozen of them in states carried by Obama in 2012. Even in this fall's election, a broad coalition of labor and Latino organizations, including Mi Familia Vota, a spinoff of the Service Employees International Union, and the National Council of La Raza, have set out to register 250,000 Latino voters. Activists have launched a nationwide bus tour to confront in their home districts those lawmakers who did not act on immigration.

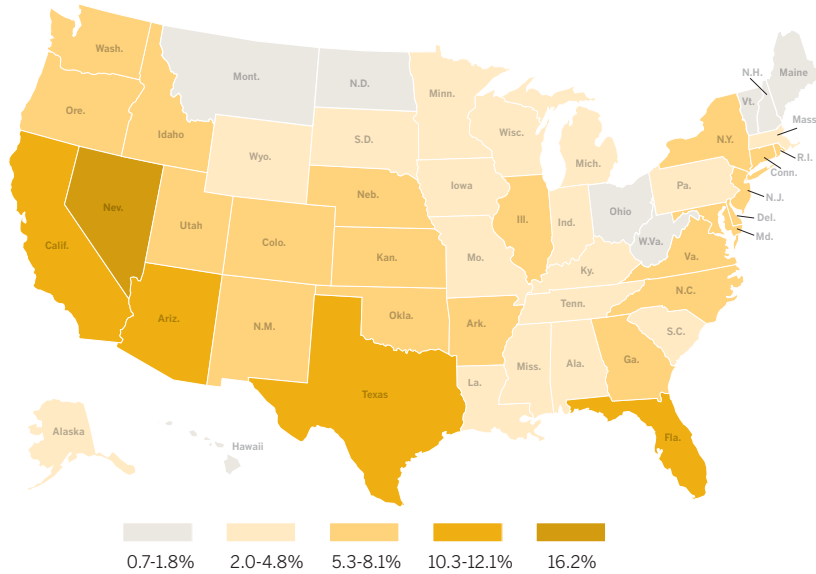
"There will be a focus on purple districts with vulnerable Republicans, to send a message to Republican leaders that you are

“If we don't pass immigration reform, we will not win the White House back in 2016, 2020 or 2024.”

— John Feehery, Republican consultant

A Growing Constituency

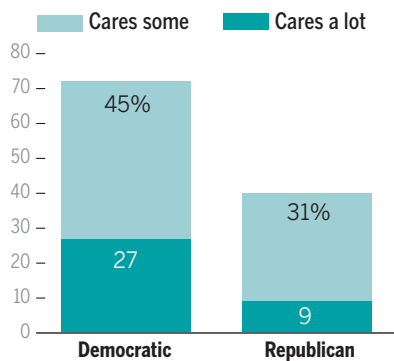
In every state, Hispanics make up a greater percentage of the population than they did 20 years ago. This trend is led by the Southwest and Florida, where the share has increased by more than 10 percentage points.



Immigration Poll

Hispanics say Democrats care more about them.

Republican Party officials see Hispanics as a natural constituency, but the GOP's image with them is lagging.

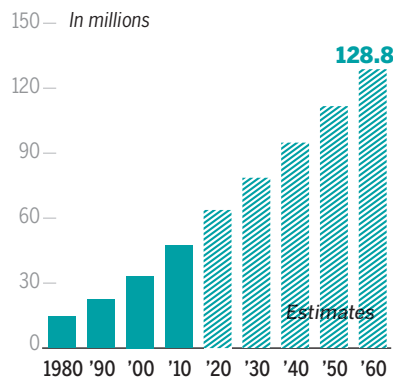


SOURCE: Pew Research Center poll of 701 Hispanic adults living in the United States. Conducted Oct. 16–Nov. 3, 2013. Margin of error +/- 4.4%

Hispanic population

Hispanic numbers rise

Many political analysts cite growth in the Hispanic population as a reason for Republicans to embrace a comprehensive overhaul of immigration laws.



SOURCE: Census Bureau

	1990 Hispanic	2010 Hispanic	Growth in share of state population, 1990-2010*
Nevada	124,419	716,501	16.2
Texas	4,339,905	9,460,921	12.1
California	7,687,938	14,013,719	11.8
Arizona	688,338	1,895,149	10.9
Florida	1,574,143	4,223,806	10.3
New Jersey	739,861	1,555,144	8.1
New Mexico	579,224	953,403	8.1
Utah	84,597	358,340	8.1
Illinois	904,446	2,027,578	7.9
Rhode Island	45,752	130,655	7.9
Oregon	112,707	450,062	7.8
Colorado	424,302	1,038,687	7.8
North Carolina	76,726	800,120	7.2
Georgia	108,922	853,689	7.1
Connecticut	213,116	479,087	6.9
Washington	214,570	755,790	6.8
Nebraska	36,969	167,405	6.8
Kansas	93,670	300,042	6.7
Oklahoma	86,160	332,007	6.1
Idaho	52,927	175,901	6.0
Delaware	15,820	73,221	5.8
Maryland	125,102	470,632	5.5
Arkansas	19,876	186,050	5.5
New York	2,214,026	3,416,922	5.3
Virginia	160,288	631,825	5.3
Massachusetts	287,549	627,654	4.8
Indiana	98,788	389,707	4.2
South Carolina	30,551	235,682	4.2
Wisconsin	93,194	336,056	4.0
Tennessee	32,741	290,059	3.9
Iowa	32,647	151,544	3.8
Pennsylvania	232,262	719,660	3.7
Minnesota	53,884	250,258	3.5
Alabama	24,629	185,602	3.3
Wyoming	25,751	50,231	3.2
Kentucky	21,984	132,836	2.5
Missouri	61,702	212,470	2.4
Alaska	17,803	39,249	2.3
Michigan	201,596	436,358	2.2
Mississippi	15,931	81,481	2.1
Louisiana	93,044	192,560	2.0
South Dakota	5,252	22,119	2.0
Ohio	139,696	354,674	1.8
New Hampshire	11,333	36,704	1.8
Hawaii	81,390	120,842	1.5
Montana	12,174	28,565	1.4
North Dakota	4,665	13,467	1.3
Vermont	3,661	9,208	0.8
West Virginia	8,489	22,268	0.7
Maine	6,829	16,935	0.7

* Percentage point increase.

leaving your moderates out to dry, and the Republican party will pay a price," says Frank Sharry, executive director of the immigration advocacy group America's Voice. "It could be a down payment to a much bigger moment of truth in terms of political cost in 2016."

REBRANDING REVISITED

Republican leaders have urged their own party to tackle what looks to many like a demographic crisis in the making. After GOP

presidential nominee Mitt Romney won only 27 percent of the Hispanic vote in 2012 — a historic low for his party — Republican National Committee Chairman Reince Priebus noted in a rebranding memo that the Hispanic share of the population could rise from 17 percent today to 29 percent by 2050. Priebus, a Wisconsin lawyer starting his fourth year in the party leadership, urged fellow Republicans to reach out more aggressively to immigrant voters, most notably Hispanics and Asians.

All that pushed immigration advocates into high gear at the start of this Congress. They mobilized an unprecedented coalition that included not only progressive groups but many traditional GOP allies, including business leaders, evangelical Christians and law enforcement officials. Thanks in part to a deal between the U.S. Chamber of Commerce and the AFL-CIO to support more guest worker visas in exchange for tougher labor laws, the Senate passed a comprehensive bill

that included visas for high- and low-skilled workers, and a path to citizenship for the nation's 11.7 million undocumented immigrants. House Republicans balked, though, announcing that they would instead pass immigration legislation piece by piece. A bipartisan House working group toiled to produce a bill, but it fell apart when all but one GOP member — Florida's Mario Diaz-Balart — walked away.

Boehner's immigration legislation outline raised expectations again. The principles included border security and enforcement as a first step; expanded visas, particularly for agricultural workers; legal status for immigrants brought to the United States as children; and legal status, though without a special path to citizenship, for undocumented workers living in the United States, provided they admit culpability and pay back taxes.

But that plan was just as quickly scuttled, following cries of "amnesty" from tea party Republicans such as Sen. Ted Cruz of Texas and internal GOP divisions over how to proceed.

Boehner said many Republicans don't believe Obama would enforce an immigration law they passed. "The American people," he said, "including many of my members, don't trust that the reform that we're talking about will be implemented as it was intended to be."

That led Charles E. Schumer of New York, the No. 3 Senate Democrat, to suggest that if Republicans don't trust the president, the law could take effect after Obama leaves office in 2017. But many Republicans reason that in that case, they might as well wait to enact immigration legislation in a few years.

"The majority of us are for immigration reform, but they understand: not with this president, and not with this Senate," Rep. Raúl R. Labrador of Idaho said in an interview at the GOP retreat. Labrador had been a member of the House bipartisan "gang" working on an immigration plan, but he left because he said he did not trust Obama to enforce the laws. Obama's executive actions to alter timelines in the health care law have aggravated GOP mistrust.

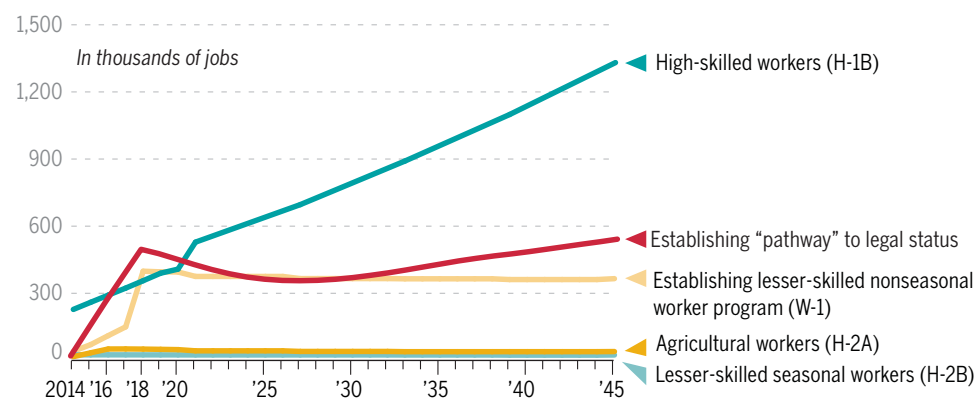
Even if Republicans could agree among themselves on legislation, some progressives would object to legalization without citizenship for undocumented immigrants. The AFL-CIO has condemned that idea and warned that it would create a permanent underclass of Americans subject to unequal treatment. However, Democratic leaders,



Economic Impacts

Projected employment gains expected from a comprehensive immigration overhaul

Economists say the economy stands to grow if there's a comprehensive overhaul of immigration policy. The following graph shows the number of jobs that are expected to result directly or indirectly from adjusting or establishing programs in five areas of immigration.



SOURCE: Regional Economic Models, Inc.

along with many influential progressive advocates, openly welcomed Boehner's proposal.

"If there's no special pathway, then let's use the existing pathways," says Rep. Luis V. Gutiérrez, an Illinois Democrat and a longtime advocate of an immigration policy overhaul. He was part of the House "gang" trying to agree on a bill and continues to confer closely with Republicans on the issue. "If the demand is citizenship for all, or reform for no one," he says, "you're going to get reform for no one."

Diaz-Balart, a pro-immigration Republican, says the problem today remains the same one that has dogged immigration efforts for years: finding legislation that would win over a majority of House Republicans, as Boehner has pledged to do, without losing a critical mass of Democrats.

"It would be easy — very, very easy — to file a bill that can get a big chunk of Republicans, but frankly very few Democrats," says Diaz-Balart. "It would be very easy to get a bill that

can get a lot of Democrats but few Republicans. What has eluded us is legislation that can get ... the majority of the majority."

Diaz-Balart continues to huddle with an informal House GOP working group struggling to come up with an immigration plan agreeable to Republicans and Democrats. He would not say who its members are, but likely participants include Budget Chairman Paul D. Ryan of Wisconsin, Judiciary Chairman Robert W. Goodlatte of Virginia, and Homeland Security Chairman Michael McCaul of Texas.

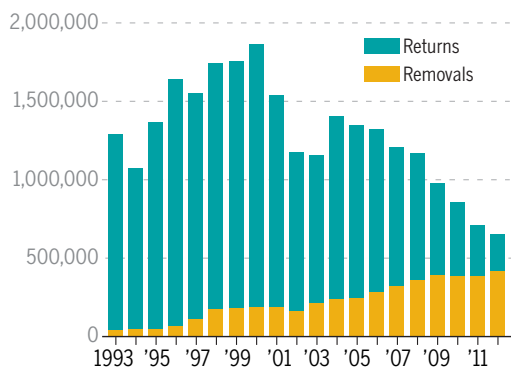
Their heaviest lift is winning over a conference spooked by well-funded tea party groups that have already spent heavily on primary challenges to GOP incumbents they say are not conservative enough. Says former Commerce Secretary Gutierrez, who now co-chairs the Albright Stoneridge Group consulting firm: "Everyone is worried about a primary challenger from their right, because these districts have been redesigned and gerrymandered for so long."



Immigrant Deportation

Countervailing trends at the borders

The forced removal of immigrants through the courts is often cited as evidence of a record level of enforcement, but overall deportations have been declining since 2004.



SOURCE: Department of Homeland Security

THE PARTY OF BUSINESS?

The stalemate has left traditional GOP constituencies, including business leaders in industries such as retail, construction and agriculture, increasingly irate. Lobbying coalitions such as FWD.us and former New York City Mayor Michael Bloomberg's Partnership for a New American Economy have spent heavily on advertising, on lobbying and on economic studies aimed at showing that the immigration system must be fixed for the economy to thrive.

The American Farm Bureau Federation recently warned that an immigration system focused only on enforcement would increase food prices by 5 percent to 6 percent over five years and cut domestic food production by up to \$60 billion. Silicon Valley CEOs have rolled

out one economic analysis after another documenting how increasing the number of H-1B visas for high-skilled workers would boost innovation and create new jobs and businesses.

More importantly, say some financial experts, the economy must shift away from a reliance on government stimulus measures and consumer purchasing if it's going to emerge from its slump. Some analyses show the rate of growth at a historic low. Expansion of the H-1B visa program alone would create 1.3 million jobs and boost gross domestic product by \$158 billion by 2045, according to an analysis by Regional Economic Models, Inc., an Amherst, Mass., company that analyzes the effects of economic policy.

"Is not passing immigration reform going to create a calamity, an economic collapse? No," says Matt Slaughter, a professor of management at Dartmouth's Tuck School of Business. "But it's going to be a force that makes it more likely that we're going to be sitting here scratching our heads in a year or two over mediocre performance and absence of growth in incomes."

Many Republicans say that backing an overhaul of the immigration system is simply a matter of advancing traditionally conservative, employer-friendly policies that promote job growth and free markets.

"My interest in seeing us adopt good, effective immigration reform is based on policy, not politics," says Haley Barbour, the former RNC chairman, Mississippi governor, lawyer and lobbyist who now co-chairs the Bipartisan Policy Center's Immigration Task Force.

"America is in a global battle for capital and labor," Barbour says. "While our population is not declining, like some other developed nations, we have a tremendous number of jobs in this country that are filled by noncitizens, including many who are here illegally."

Douglas Holtz-Eakin, president of the center-right policy institute the American Action Forum, says his own research concludes that a "benchmark" immigration overhaul would raise GDP per capita by more than \$1,500 in the near term and reduce the federal deficit by \$2.5 trillion.

As a consequence, Holtz-Eakin says, business leaders "are frustrated" with the current

immigration system. "I don't think they're being quiet about their frustration. They would like to get this done."

THE COST OF POSTPONEMENT

Some Republicans on Capitol Hill express less anxiety about alienating their business allies than about legalizing a large number of Hispanics and potentially creating a permanent Democratic voting bloc. These GOP House members have likened an immigration overhaul to a political "suicide" mission. Conservative activists argue that deferring immigration action makes sense politically for the GOP.

"The important thing to remember, especially heading into 2014, is that midterm elections rely on base voters turning out," says Dan Holler, communications director for Heritage Action for America, which takes the position that legalization, even without citizenship, constitutes "amnesty" for unauthorized immigrants.

But with or without legislation, the Hispanic vote is growing rapidly and dramatically. Each year some 800,000 Latino youths born in the U.S. turn 18 and become automatically eligible to vote, according to the Pew Research Center's Hispanic Trends Project. The project's research also shows that a large percentage of Latinos are "punching below their weight" at the ballot box — in 2012 they made up 17 percent of the U.S. population but 10 percent of all voters. More than 11 million Hispanics are eligible to vote but have chosen not to, meaning that vote mobilization and turnout efforts have the potential to vastly expand this bloc of voters.

Accelerating naturalization could potentially add another 5.4 million Hispanics to the electorate, Pew has found. For Republicans, the chance to capture those voters is now, say immigration advocates who warn that Republicans' image as the party that rejected an immigration overhaul could become hard to shake as time goes on.

"They have a tarnished brand, and they are about to cement that brand as anti-immigrant," says Sharry, of America's Voice, "at a time when the fastest-growing group of new voters, namely Latinos and Asians, is strongly in favor of immigration reform."

Republicans respond that Democrats will share equal blame if an immigration deal is not reached, given liberal opposition to legalization without citizenship. Besides, Republicans on Capitol Hill could enact immigration legislation in 2015 — when the GOP could

“What has eluded us is legislation that can get ... the majority of the majority.”

— Florida Republican Rep. Mario Diaz-Balart

have a Senate majority and more control over the final product. By that time, though, the party will be on the eve of a potentially fractious presidential primary season, making a public battle over immigration risky.

'THE WHITE HOUSE IS THE BIG PRIZE'

"I think the ultimate cost is the White House," says Gutierrez, the Republican former Commerce secretary. "The political calculation is that we can win back the Senate without having to get involved in immigration, and that's fine. But the White House is the big prize, and that's going to be very tough. Because we didn't only lose the Hispanic vote. We lost the Asian-American vote, we essentially lost the immigrant vote. And it doesn't matter if immigrants like our economic policies, [or] they like what we stand for. If they don't think we like them, they are not going to vote for us."

A growing number of House and Senate seats will become harder for Republicans to hold if the party does not act on an immigration overhaul, which Hispanic voters rank as their No. 1 priority, says Ali Noorani, executive director of the National Immigration Forum, an immigration-focused advocacy group.

"The way we've been looking at this is that if the House doesn't take up immigration reform in 2014, you have Republican seats in the West and Southwest that are going to be put at risk because of changing demographics," says Noorani. "Even if Republicans win the Senate this year, they are going to have a tough time keeping it in 2016."

To some champions of changing the immigration system, the preponderance of eco-



PRAGMATIC: Democrat Luis Gutiérrez, center, says Boehner's comments about the difficulty of passing an immigration bill are realistic, but not a prediction of failure. The GOP's hopes for 2016 depend on it, he says.

nom and political data making the case for legislation suggests that the House will act this year after all. Rep. Gutiérrez, for one, does not interpret Boehner's comments that immigration changes would be "hard" as a death knell — just a realistic assessment.

"If they don't do it for security reasons, if they don't do it for economic reasons, they're going to do it for political reasons," says Gutiérrez, who recently declared on the House floor that "nobody believes the Republican Party can nominate a competitive candidate for president" unless they clear a comprehensive bill.

But Gutiérrez acknowledges that no legislation will pass with one party alone. "Nei-

ther Democrats nor Republicans can do it by themselves. It can't be done," he says.

Given continued partisan stalemates on Capitol Hill, not to mention internal GOP disagreements, that makes the likelihood of comprehensive legislation this year virtually nil. The question facing Republicans, in particular, is whether postponing action turns out to be worth the gamble. ■

FOR FURTHER READING: *Obama's approach to immigration, CQ Weekly, p. 132; key votes, pp. 204, 209; recent immigration legislation, p. 59; shifting numbers on immigration, 2013 CQ Weekly, p. 1790.*

BILL CLARK/CQ ROLL CALL

BE THE FIRST TO KNOW ABOUT LEGISLATION THAT MATTERS TO YOU.

CQ Roll Call's **BillTrack** follows your bills in real time as they travel through Congress. Visit www.cqrollcall.com/BillTrack to request a trial or call 202 650 6599 to learn more.



An Economist Group business

20130301b