

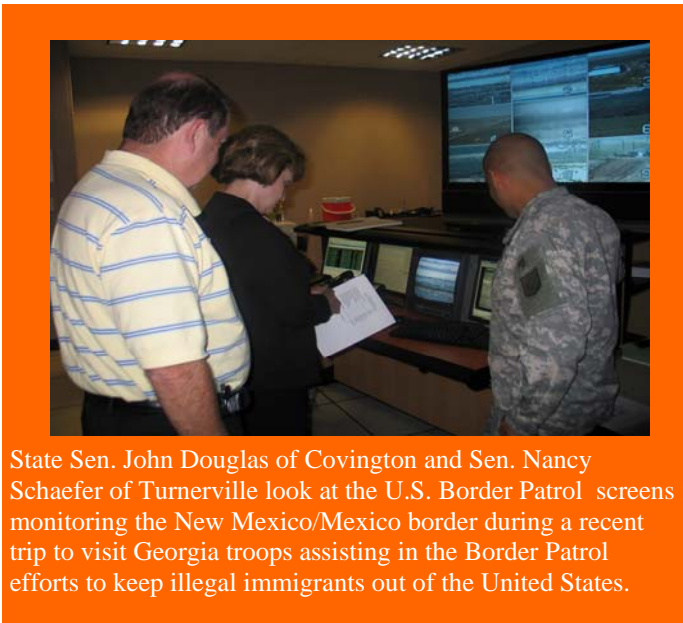


## Federal Inaction Forces States to React

# The Illegal Immigration Crisis

By: *Alexander J. Azarian, Principal Analyst*

**I**mmigration has played an important role in American history, and the United States continues to have the most open immigration policy in the world. During the period of westward expansion, our young nation encouraged relatively open immigration to settle its empty lands and accelerate industrialization. After several states passed immigration laws following the Civil War, the Supreme Court in 1875 declared the regulation of immigration a federal responsibility. In 1891, the Immigration Service was established to deal with the large increase in immigration which started in 1880.



State Sen. John Douglas of Covington and Sen. Nancy Schaefer of Turnerville look at the U.S. Border Patrol screens monitoring the New Mexico/Mexico border during a recent trip to visit Georgia troops assisting in the Border Patrol efforts to keep illegal immigrants out of the United States.

The Immigration Act of 1924, however, was the first permanent limitation on immigration and established the "national origins quota system," which governed American immigration policy until the Immigration and Nationality Act of 1952 and the Immigration and Naturalization Services Act of 1965. A significant provision of the 1924 Act was the establishment of the "consular control system" of immigration which mandated that no alien may be permitted

entry into the United States without an unexpired immigration visa issued by an American consular officer abroad.

The type of visa issued depended on the native country of the applicant, as well as their reason for entering the United States. If their native country was subject to a U.S. immigration quota, as were most European and Asian countries, the applicant applied for a "Quota" visa. Western Hemisphere countries were all exempt from quotas between 1924 and 1944.

(Continued on Page 2)

## *At-A-Glance:* Home heating fuels

By: *Brian S. Johnson, Principal Analyst*

Hurricanes Katrina and Rita did not create an energy crisis one year ago; however, they did exacerbate issues that were already present regarding energy availability, transportation, and commodity trading. The devastation suffered by the people of Louisiana and Mississippi along the Gulf Coast affected the pumping, refining, and transportation of the nation's fuel resources from the Gulf of Mexico to consumers throughout the United States. The resulting frenzy of market speculation and fears of supply shortages combined to drive energy prices to near unprecedented levels. This frenzy specifically affected the cost of home heating fuels which provide necessary heating during cold winter months. All of this occurred in conjunction with industry analysts' pre-hurricane predictions that home heating fuels' costs were already expected to dramatically increase over the previous winter season prior to the impact of Hurricanes Katrina and Rita.

(Continued on Page 5)

# The Illegal Immigration Crisis (Continued from Page 1)



**Army National Guard Specialist Daniel Montgomery of Ellenwood and Sen. John Douglas of Covington look out over the Mexican border during a recent trip to visit the 150 troops stationed in New Mexico.**

Clearly, our country's unending demand for cheap labor attracts illegal immigrants. The typical Mexican worker earns one-tenth his American counterpart, and numerous American businesses are willing to hire cheap, non-compliant labor from abroad; such businesses are seldom punished because the federal and state governments lack a viable system to verify an employee's work eligibility.

## The Federal Response: Inaction, Inability, and Powerlessness

For decades, illegal immigration has been dismissed as a federal problem, and the standard response has been a call for increased border enforcement. Compounding the border problem is that there has been almost no attention paid to enforcement at worksites within the United States.

The Center for Immigration Studies estimated that the cost of the illegal immigration presence in the U.S. to the federal government was roughly \$10 billion in 2002, even after accounting for taxes paid by illegal aliens. These costs are primarily for Medicaid, healthcare for the uninsured, food assistance, the prison and court systems, and education funding. However, the federal government has gained very little traction in dealing with the problem. Two major pieces of legislation that have attracted a lot of public attention, House Resolution 4437 and Senate Bill 2611, bogged down in Congress earlier this year, and will not be acted upon again this Congressional session.

S. 2611, the Comprehensive Immigration Reform Act, proposes to increase security along the Mexican border, allows long-time illegal immigrants to gain citizenship with some restrictions, and increases the number of guest workers over and above those already present in the U.S. through a new "blue card" visa program. It passed the Senate on May 25, 2006, by a vote of 62-36, but stalled in the House upon its arrival.

H.R. 4437, The Border Protection, Anti-terrorism, and Illegal Immigration Control Act of 2005, calls for a variety of steps to restrain illegal immigration. At the southern border, the legislation authorizes construction of an additional 700 miles of security fencing. The legislation also requires the implementation of a mandatory electronic verification system to be used by all employers to ensure that the workers they hire are legal residents. Failure to comply with the verification procedure would result in fines of up to \$7,000 per violation for a first offense and as high as \$40,000 the third time an employer is discovered hiring illegal aliens. Illegal aliens themselves would also face stiffer penalties for violating U.S. immigration laws: illegal entry, now considered a misdemeanor offense, would become a felony and illegal aliens could receive jail time for immigration violations. The legislation was passed by the House on December 16, 2005 by a vote of 239 to 182.

The major controversial difference between the H.R. 4437 and S. 2611 is that there is a citizenship path, or amnesty, proposed in S. 2611 which would allow illegal immigrants who have been in the country for more than five years to apply for citizenship by paying fines and back taxes. Those who have been in the country for two

(Continued on Page 3)

# The Illegal Immigration Crisis (Continued from Page 2)

to five years would be allowed to stay in the country without fear of deportation, but after three years would have to return to their native country before applying for citizenship at border check points. Those in the country for under two years would be required to return to their original nations.

S. 2611 also introduces an H-2C visa, or "blue card" which would allow employers to bring in outside workers for up to six years after which the employee must spend one year in their original country. S. 2611 also proposes 370 miles of fencing along highly populated areas near the border compared to the 700 miles proposed in H.R. 4437.

With Congress's inability to pass a comprehensive immigration reform bill, the House and Senate have turned their attention to passing legislation that simply secures the U.S.-Mexico border. On September 14, 2006, the House passed H.R. 6061, the Secure Fence Act of 2006. The bill contains none of the comprehensive measures that President Bush, Democrats and some Senate Republicans have demanded and that are found in H.R. 4437 and S.2611. Instead, all that H.R. 6061 provides for is the construction of an additional 700 miles of fencing along the U.S.-Mexico border.

Although Senate Majority Leader Bill Frist supports comprehensive immigration reform legislation, he has all but conceded that since no consensus can be reached on other immigration issues, Congress should move ahead with border security. It is not "enforcement only," he said, but "enforcement first." "Border security is the essential first step of any effort to enact immigration reform," Mr. Frist said. "Only when we have convinced the American people of our commitment to securing our borders will we be able to reach a consensus

on comprehensive immigration reform." The Senate passed H.R. 6061 on September 29<sup>th</sup> and the legislation now awaits the President's signature.

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## States Respond Individually

Congress's failure to pass a meaningful immigration reform measure has forced states to take the initiative and adopt policies to address this problem, both to minimize the fiscal costs, and also to contribute to the larger federal effort to reduce illegal immigration. According to the National Conference of State Legislatures, over 500 pieces of legislation concerning immigrants have been introduced in state legislatures in 2006 alone. While these bills cover a wide variety of topics, many states focused on employment, trafficking, public benefits, education, and law enforcement. Over 60 bills have been enacted in 27 states, with a handful of bills having been vetoed.

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## Georgia acts first with comprehensive reform

Statewide concerns over the presence of 300,000 to 800,000 illegal immigrants in Georgia and their impact on the state's healthcare, educational, labor, business, and criminal justice systems spurred the passage of Senate Bill 529 – The Georgia Security and Immigration Compliance Act. Although the legislature had attempted to address the issue with legislation that addressed single areas impacted by illegal immigration in the past, SB 529 tackled the problem with a comprehensive approach. Significant provisions of the legislation include the following:

Requires all public employers to register and participate in the Federal Work Authorization Program by July 1, 2007 in order to verify information on all new employees. In addition, all

public employers, government contractors, and government subcontractors are required to register and participate in the program in order to verify information on all new employees prior to entering into any contract in connection with the physical performance services within this state.

## This provision is phased in as follows:

**July 1, 2007** for all public employers, government contractors, and government subcontractors with 500 or more employees;

**July 1, 2008** for such entities with 100 or more employees; and

**July 1, 2009** for all such entities;

**Requires verification** of eligibility for adult applicants for public benefits;

**Establishes penalties** for human trafficking;

**Authorizes the enforcement** of federal immigration and custom laws by Georgia State Patrol officers and for such officers to receive training in the enforcement of such laws;

**Requires** all Georgia employers to verify the legal status of any employees hired on or after January 1, 2008 in order to claim a state income tax deduction on such employees' salaries;

**Requires** employers to withhold a 6 percent tax from contract workers who are unable to provide a valid taxpayer identification number or Social Security number;

**Requires** county, municipal, and regional jails to determine the legal status of prisoners charged with a felony or DUI; and

**Establishes and enforces** standards of ethics for individuals who provide immigration assistance, also known as "Notorios," and for those who are not licensed attorneys.

(Continued on Page 4)



# The Illegal Immigration Crisis (Continued from Page 3)

## Activity in Other States

Although Georgia was the first state to pass comprehensive legislation cracking down on the illegal immigration problem, it is not the only state to address the issue. However, rather than attempt to deal with all areas that are impacted by illegal immigration, such as education, employment, public benefits, and law enforcement, several states have opted to take a



State Sen. Nancy Schaefer of Turnerville meets with Sgt. Clayton Currier of Marietta during a trip to New Mexico to see the Georgia Army National Guard troops guarding the border

more piecemeal approach to dealing with the problem. Some legislation that other states have passed which contain provisions not found in SB 529 includes the following:

### Education

Wyoming's SB 85 prohibits non-citizens and non-Legal Permanent Residents from receiving scholarship funding. Students whose parents have claimed foreign residency status during the student's high school attendance are also ineligible.

### Employment

Colorado's HB 1001 requires contractors to verify the work status of their employees before applying for eco-

nomics development incentive awards. Contractors receiving awards and later found to employ unauthorized workers must repay the award and will be ineligible for another award for five years.

Colorado also enacted HB 1017 which requires employers to examine the work status of each newly hired employee and retain proof that each newly hired employee has legal work status. The legislation empowers the state to audit and verify the proof. Employers discovered hiring unauthorized workers or for submitting falsified documents face a \$5,000 fine for each infraction.

Louisiana's SB 753 allows contracting state agencies to investigate a contractor's hiring policies to discover if any unauthorized immigrants have been employed. The district attorney can issue an order to fire undocumented workers, and, if the contractor does not comply within ten days of receiving notice, the contractor is subject to penalties of up to \$10,000.

Pennsylvania's HB 2319, known as the Prohibition of Illegal Alien Labor on Assisted Project Act, prohibits the use of labor by illegal immigrants on projects financed by grants or loans from the state government.

### Identification/Drivers' License

Colorado's SB 110 provides funding for a full-time investigator in the attorney general's office assigned to investigate the counterfeiting of identification documents.

### Law Enforcement

Colorado's HB 1014 instructs the state attorney general to pursue reimbursement from the federal govern-

ment for all costs associated with illegal immigration, including incarceration, education, and healthcare.

Ohio's SB 9 requires a list of all unauthorized immigrants currently serving prison terms to be compiled and given to the U.S. Immigration and Customs Enforcement Agency (ICE) to determine if ICE wishes to gain custody of any undocumented prisoner. Aliens currently serving prison terms will be released to the custody of ICE upon completion of their prison term.

### Trafficking

Colorado's SB 225 creates a division in the Colorado State Patrol Department of Public Safety to address human smuggling and human trafficking on state highways.

## Conclusion

If Congress continues its inability to resolve the illegal immigration crisis, then many states, including Georgia, will expand on their efforts to contain illegal immigration's impact on employment, education, and public services. In 2007, many state legislatures will realize that tightening the U.S.-Mexico border will resolve nothing in the near future since a large degree of the problem continues to emanate from within our borders. *SRO*

## At Issue

*At Issue* is published monthly during the interim. For more information on this publication contact the Senate Research Office in Suite 204 of the Coverdell Legislative Office Building or by calling 404.656.0015.

--Jill Fike, Director

# Home heating fuels (Continued from Page 1)

## What did happen in September 2005?

The destruction or closure of off-shore drilling platforms and stations in the Gulf of Mexico and of refineries in the Mississippi River corridor and at the Texas and Louisiana border heavily and negatively impacted the supply of home heating fuels. Both hurricanes passed through the heart of the energy complex of the Gulf of Mexico, and as much as 100 percent of oil production and 80 percent of the natural gas production was “shut-in” for weeks during September and October last autumn. Additionally, speculation regarding the future costs of home heating fuels aggravated the situation by driving up wholesale prices on the open commodities market (typically, wholesale prices for energy are set six months before retail sale). The wholesale market thrives on the temperatures and demands in the northeastern United States; therefore, consumer retail prices in Georgia are directly linked to temperatures and demand in the northeastern states. Competition from emerging markets in Asia was, and remains, a factor in setting wholesale prices, as well.

Georgia’s home heating fuel providers and marketers were adequately prepared to meet the energy challenge; however, the wholesale and retail cost for home heating fuels rose to record levels. Fortunately, the winter following the crisis proved warmer than expected, and wholesale energy prices dropped accordingly.

Crude oil prices have been consistently increasing for nearly four years as world demand continues to reach new peaks coupled with declining surplus storage. This is important because natural gas generally trades with crude oil prices acting as a cap on the natural gas prices; therefore, the two are directly linked.

Increase of retail home heating fuel prices is due to the wholesale market which is beyond the control of any elected official and representative

**Locally, the average retail price of regular gasoline fell from \$3.04 per gallon on August 7, 2006, to \$2.62 per gallon on September 11, 2006, and is expected to fall to a national average of \$2.00 per gallon by November before rising again next summer as demand increases and gasoline formulas are required to change to the summer blend.**

body. The average price per therm charged by Georgia marketers has been increasing since September 2000—notably a 50 percent increase since September 2003. There are two natural gas distribution companies regulated by the Georgia Public Service Commission (PSC): Atlanta Gas Light Company and Atmos Energy Corporation.

## Help for low-income Georgians

Low-income Georgia consumers may be eligible to receive state assistance through a variety of programs including the Low Income Home Energy Assistance Program (LIHEAP), Heating Energy Assistance Team (HEAT), and the Universal Service Fund (USF). The maximum amount avail-

able for assistance is \$440 per household. These households are identified through the Georgia Department of Human Resources and the PSC, and the funds are distributed through local agencies.

The USF receives funding of about \$11.5 million annually which is authorized by O.C.G.A. § 46-4-161 to assist low-income customers or assist low-income customers of regulated providers by allowing access to the USF to cover bad debt.

Over \$15 million in LIHEAP funds has been distributed to assist Georgia’s low-income customers in paying their natural gas bills. Some of the funds were redistributed from the USF. Nearly 170,000 eligible households received energy assistance funds during the last year (this includes first time ever cooling assistance during the summer); moreover, the State assisted over 124,000 senior households with their winter heating bills.

## What can Georgia expect this winter season?

First, the PSC opens the energy assistance program to seniors and the disabled on Wednesday, November 1, 2006; the general public may apply for assistance on or after Friday, December 1, 2006. The PSC’s projected budget for federally funded assistance equals about \$17 million, but some analysts suggest that there may be much more available in total for energy assistance. Fortunately, the Atlantic hurricane season has not proven to be as severe as had been forecast, and political tensions in the Middle East have eased since August. The result has shown falling prices for crude oil and natural gas.

(Continued on Page 6)

# Home heating fuels (Continued from Page 1)

Considering that crude oil and natural gas commodity prices are linked, it is important to note that as of October 3, 2006, crude oil prices were hovering around \$58 per barrel. The national retail sales price of gasoline dropped about 12 cents a gallon per week during September. Gasoline futures continue to fall on the NYMEX futures exchange as commodity investors respond to high inventories and easing geopolitical tension; however, the commodities markets remain vulnerable to price spikes and continued fluctuations. Natural gas futures on NYMEX closed on September 23, 2006, at their lowest trading level since September 10, 2006.

Locally, the average retail price of regular gasoline fell from \$3.04 per gallon on August 7, 2006, to \$2.62 per gallon on September 11, 2006, and is expected to fall to a national average of \$2.00 per gallon by November before rising again next summer as demand increases and gasoline formulas are required to change to the summer blend. Over half of the demand growth for energy in 2007 is projected to come from two nations: the United States and China.

Demand growth is also projected to be strong in the oil-exporting countries of the Middle East, which are benefiting from their current high oil revenues. Surplus world crude oil production capacity, all of which is located in Saudi Arabia, is expected to increase slightly in 2007. Due to these factors, as well as the continued tight supply-demand balance, federal energy analysts expect short term relief during the winter from higher pricing patterns.

The warmer-than-normal weather this past winter left natural gas inventories at high levels at the start of the cooling, or "refill," season, which runs from April through October; there-

fore, the natural gas industry is reporting strong storage supplies. Natural gas price averages originating from the Henry Hub facility in Louisiana have dropped significantly since December 2005; however, these prices are projected to increase as demand for winter heating fuel grows with falling temperatures. Residential natural gas consumption is projected to fall in 2006 by 7.5 percent from the high 2005 level because of mild weather early in 2006. Consumption is then forecast to increase by 9 percent in 2007, assuming sustained high oil prices, normal weather, and continued economic expansion in the United States. Long term prices for natural gas remain above historical levels, but they are expected to continue to deteriorate from the record price per therm set in autumn 2005.

Consider, too, that electricity providers are increasingly turning to natural gas in order to meet upward demand during summer months for cooling. This increase is making it more difficult to increase natural gas storage during traditionally low demand months; however, this trend will decrease as more coal-fired generating facilities come online during the next decade. By the numbers, natural gas used for power generation was down 1.5 percent as compared to summer 2005.

In conclusion, Georgia consumers should expect this winter's home heating fuel prices to remain below the record levels set last year. Home heating fuel providers have maintained adequate storage capacity during the refill months, and, so far, no natural weather event has compromised the production facilities in Louisiana and Texas. Additionally, Georgia should receive a greater allocation in federal funding for low-income assistance. Unless there is a colder-than-normal winter, or global geopo-

litical tensions escalate, Georgians will receive a reprieve from the energy frenzy experienced last year at this time.

If conditions change, and there is a desire to check on available rates and plans, the following marketers provide natural gas or propane to meet Georgia's winter home heating fuel needs:

**Atlanta Gas Light Company**  
770-907-4231  
**Atmos Energy**  
800-621-1867  
**Catalyst Energy**  
866-514-2545  
**Commerce Energy**  
877-226-5389  
**Coweta-Fayette Natural Gas**  
770-502-0226  
**GasKey**  
678-904-0820  
**GasSouth**  
877-472-4932  
**Georgia Natural Gas**  
770-850-6200  
**Georgia Propane Association**  
770-645-8677  
**Infinite Energy**  
770-661-1870  
**Municipal Gas Authority**  
770-590-1000  
**MX Energy**  
877.677.4355  
**Scana Energy**  
877.467.2262  
**Vectren Source**  
866.200.5693  
**Walton Natural Gas**  
770.267.2505

*Portions of the information discussed herein were provided by Atlanta Gas Light, Georgia Natural Gas, Georgia Public Service Commission, and the Georgia Department of Human Resources.*

*SRO*