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001. fax	To Sam Brownback from Sam Raja re: Unfair Labor Practice at Kansas (p. 3-5) (3 pages)	10/08/1998	b(6)

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Irene Bueno
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FOLDER TITLE:
H1B Background: Letters [2]

2017-1120-S
rv2215

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Office of the Attorney General
Washington, D.C. 20530

April 2, 1998

The Honorable Orrin Hatch
Chairman, Committee on the Judiciary
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Today, your committee will mark-up S. 1723, the "American Competitiveness Act" which is intended to respond to the growing demand for skilled workers in the information technology (IT) industry by increasing the annual cap on the number of temporary visas for foreign "specialty" workers under the H-1B program. For the reasons outlined below, the Administration strongly opposes S. 1723.

The Administration believes that the first step in increasing the availability of skilled workers must be raising the skills of U.S. workers and helping the labor market work better to match employers with U.S. workers. Therefore, substantial additional efforts by industry to increase the skill level of U.S. workers and needed improvements in the H-1B visa program are necessary prerequisites for the Administration to support any short-term increases in the number of visas for temporary foreign workers. Since 1993, this Administration has sought reforms of the H-1B program, including requiring employers to make bona fide efforts to recruit and retain U.S. workers before hiring temporary foreign workers and prohibiting lay-offs of U.S. workers to replace them with temporary foreign workers. These reforms, if enacted, would help target H-1B usage to industries and employers that are experiencing skill shortages.

Regrettably, S. 1723, as introduced, emphasizes providing opportunities for foreign workers rather than providing for and protecting U.S. workers. For example, the bill includes a permanent, substantial increase in the annual number of H-1B visas, from 65,000 up to 115,000. Also, the bill does not require that employers recruit and retain U.S. workers before hiring temporary foreign workers, and it does not prohibit employers from laying-off U.S. workers in order to replace them with temporary foreign workers. Moreover, rather than strengthening program requirements and enforcement to prevent employer abuses of the H-1B program, S.1723 undermines some of the program's important enforcement provisions.

The Administration has reviewed the bill proposed by Senators Kennedy and Feinstein. We believe that the Kennedy-Feinstein approach is, on the whole, consistent with the objectives we have articulated. It constructively addresses both the short-term and long-term implications of the increasing demand for skilled workers by putting U.S. workers first, while addressing the labor market needs of our rapidly changing economy, and making fundamental reforms to the H-1B visa program.

The Administration wants to work with the Congress to address the growing demand for highly skilled workers, while effectively protecting and promoting the interests of U.S. workers and enhancing the international competitiveness of important U.S. industries.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

JANET RENO Attorney General	WILLIAM DALEY Secretary of Commerce	ALEXIS HERMAN Secretary of Labor

cc: Senator Patrick Leahy, Ranking Member
Senator Spencer Abraham, Chairman, Immigration Subcommittee
Senator Edward Kennedy, Ranking Member, Immigration Subcommittee
Members of the Senate Judiciary Committee

April 2, 1998

The Honorable Orrin Hatch
Chairman, Committee on the Judiciary
United States Senate
Washington, D.C. 20510

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The Administration has reviewed the bill proposed by Senators Kennedy and Feinstein. We believe that the Kennedy-Feinstein approach is, on the whole, consistent with the objectives we have articulated. It constructively addresses both the short-term and long-term implications of the increasing demand for skilled workers by putting U.S. workers first, while addressing the labor market needs of our rapidly changing economy, and making fundamental reforms to the H-1B visa program.

The Administration wants to work with the Congress to address the growing demand for highly skilled workers, while effectively protecting and promoting the interests of U.S. workers and enhancing the international competitiveness of important U.S. industries.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

JANET RENO
Attorney General

WILLIAM DALEY
Secretary of Commerce

ALEXIS HERMAN
Secretary of Labor

cc: Senator Patrick Leahy, Ranking Member
Senator Spencer Abraham, Chairman, Immigration Subcommittee
Senator Edward Kennedy, Ranking Member, Immigration Subcommittee
Members of the Senate Judiciary Committee

Office of the Attorney General
Washington, D.C. 20530

April 2, 1998

The Honorable Orrin Hatch
Chairman, Committee on the Judiciary
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Today, your committee will mark-up S. 1723, the "American Competitiveness Act" which is intended to respond to the growing demand for skilled workers in the information technology (IT) industry by increasing the annual cap on the number of temporary visas for foreign "specialty" workers under the H-1B program. For the reasons outlined below, the Administration strongly opposes S. 1723.

The Administration believes that the first step in increasing the availability of skilled workers must be raising the skills of U.S. workers and helping the labor market work better to match employers with U.S. workers. Therefore, substantial additional efforts by industry to increase the skill level of U.S. workers and needed improvements in the H-1B visa program are necessary prerequisites for the Administration to support any short-term increases in the number of visas for temporary foreign workers. Since 1993, this Administration has sought reforms of the H-1B program, including requiring employers to make bona fide efforts to recruit and retain U.S. workers before hiring temporary foreign workers and prohibiting lay-offs of U.S. workers to replace them with temporary foreign workers. These reforms, if enacted, would help target H-1B usage to industries and employers that are experiencing skill shortages.

Regrettably, S. 1723, as introduced, emphasizes providing opportunities for foreign workers rather than providing for and protecting U.S. workers. For example, the bill includes a permanent, substantial increase in the annual number of H-1B visas, from 65,000 up to 115,000. Also, the bill does not require that employers recruit and retain U.S. workers before hiring temporary foreign workers, and it does not prohibit employers from laying-off U.S. workers in order to replace them with temporary foreign workers. Moreover, rather than strengthening program requirements and enforcement to prevent employer abuses of the H-1B program, S.1723 undermines some of the program's important enforcement provisions.

The Administration has reviewed the bill proposed by Senators Kennedy and Feinstein. We believe that the Kennedy-Feinstein approach is, on the whole, consistent with the objectives we have articulated. It constructively addresses both the short-term and long-term implications of the increasing demand for skilled workers by putting U.S. workers first, while addressing the labor market needs of our rapidly changing economy, and making fundamental reforms to the H-1B visa program.

The Administration wants to work with the Congress to address the growing demand for highly skilled workers, while effectively protecting and promoting the interests of U.S. workers and enhancing the international competitiveness of important U.S. industries.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

JANET RENO Attorney General	WILLIAM DALEY Secretary of Commerce	ALEXIS HERMAN Secretary of Labor

cc: Senator Patrick Leahy, Ranking Member
Senator Spencer Abraham, Chairman, Immigration Subcommittee
Senator Edward Kennedy, Ranking Member, Immigration Subcommittee
Members of the Senate Judiciary Committee

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release | July 15, 1998

STATEMENT BY THE PRESS SECRETARY

Congressional Consideration of Legislation to Increase the Number of H-1B Visas

The Clinton Administration supports sound and balanced legislative efforts to address shortages of skilled workers within certain sectors of our economy. We believe that the most important way to widen the availability of skilled workers must be to improve the skills of U.S. workers and ensure that employers seek U.S. workers first. While it may be necessary in the short term to increase the number of visas for temporary foreign workers, this must only be done in conjunction with additional efforts to increase the skill level of U.S. workers and meaningful reforms to the H-1B program. We look forward to working with the Congress to achieve a reasonable, balanced bill that both protects U.S. workers and respects the good-faith business judgments of employers.

If Congress sends the President a bill that increases the cap on H-1B visas but does not contain (1) a significant training component and (2) meaningful reform to the H-1B program that ensures that employers recruit U.S. workers before applying for an H-1B worker and not lay off a U.S. worker in order to hire an H-1B worker, the President's senior advisors will recommend that he veto the bill.

-30-30-30-

THE SECRETARY OF COMMERCE
Washington, D.C. 20230

MAY 20 1998

The Honorable Henry J. Hyde
Chairman
Committee on the Judiciary
House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

Today, your Committee will mark-up H.R. 3736, the "Workforce Improvement and Protection Act of 1998," which is intended to address the growing demand for skilled workers in the information technology (IT) industry. H.R. 3736 enacts a temporary increase in the annual cap on the number of visas for temporary foreign "specialty" workers under the H-1B program, while also effecting reforms to the H-1B program that would help target usage of H-1B visas to industries and employers that are actually experiencing skill shortages.

The Administration believes that the first response for increasing the availability of skilled workers for industry must be increasing the skills of U.S. workers and helping the labor market work better to match employers with U.S. workers. Therefore, additional efforts to increase the skill level of U.S. workers and needed improvements to the H-1B program are necessary prerequisites for the Administration to support any short-term increase in the number of H-1B visas available for temporary foreign workers. Modifications to the H-1B program that appropriately protect U.S. workers are fully consistent with the Administration's longstanding support for legal immigration.

We are pleased that H.R. 3736 as reported from the Immigration and Claims Subcommittee is consistent with one of our primary objectives, insofar as it links a temporary increase in the H-1B cap to the enactment of meaningful reforms to the H-1B visa program. H.R. 3736 would help ensure that U.S. workers do not lose their jobs to temporary foreign workers and that employers have made serious efforts to recruit U.S. workers for open positions so that qualified U.S. workers have the opportunity to fill a job before a temporary foreign worker is hired. Moreover, H.R. 3736 expands enforcement authority to help prevent employer abuses of the H-1B program. These reforms will effectively target H-1B visas to industries experiencing skill shortages. The Administration strongly opposes amendments that would weaken these reforms.

Unfortunately, H.R. 3736 does not contain any provision to encourage additional training of U.S. workers. Training is a vital component of our strategy to address the long-term demand for highly skilled U.S. workers and to enhance the international competitiveness of important U.S. industries. An effective training strategy would also work to reduce the demand for H-1B visas. The Administration has called upon the private sector to establish training programs and partnerships with educational institutions to give U.S. workers the skills needed for these jobs. It has also urged industry to reach out to dislocated workers as well as segments of the labor force underrepresented in high skilled jobs. The Administration is eager to work with industry to help create these programs and partnerships. In addition, the Administration strongly supports amending H.R. 3736 to help provide for additional training opportunities for U.S. workers and believes that this training should be funded through a modest H-1B application fee paid by employers.

The Administration believes that the reforms included in H.R. 3736 would substantially improve the current H-1B program. With the addition of a meaningful training provision and a modest reduction in the level of increase in the annual H-1B visa cap, H.R. 3736 would garner the Administration's strong support. We note, as well, that some modifications may be necessary to make the bill consistent with U.S. international treaty obligations.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

Janet Reno
Attorney General

William M. Daley
Secretary of Commerce

Alexis Herman
Secretary of Labor

cc: The Honorable John Conyers, Jr., Ranking Member
The Honorable Lamar Smith, Chairman, Immigration Subcommittee
The Honorable Melvin L. Watt, Ranking Member, Immigration Subcommittee
Members of the House Judiciary Committee

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 11, 1998 (SENT)
(Senate)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

S. 1723 - American Competitiveness Act
(Abraham (R) Michigan and 15 cosponsors)

S.1723, "The American Competitiveness Act," is intended to respond to a reported skills shortage in the information technology industry by increasing the annual cap on the number of temporary visas for foreign "specialty" workers under the H-1B program. For the reasons outlined below, the Administration strongly opposes Senate passage of S. 1723. If S. 1723 were presented to the President, the Secretary of Labor would recommend that the bill be vetoed.

Regrettably, S.1723 emphasizes providing opportunities for foreign workers rather than providing opportunities for and protecting U.S. workers. The bill's temporary increase in the annual number of H-1B visas is too large (up to 115,000) and lasts too long (5 years). In addition, the bill does not help ensure that U.S. workers do not lose their jobs to temporary foreign workers. Nor does the bill ensure that employers have made serious efforts to recruit U.S. workers for open positions so that qualified U.S. workers have the opportunity to fill a job before a temporary foreign worker is hired. Moreover, rather than strengthening program requirements and enforcement to prevent employer abuses of the H-1B program, S.1723 undermines some of the program's important enforcement provisions.

Since 1993 the Administration has sought reforms of the H-1B program, including: (1) requiring employers to make bona fide efforts to recruit and retain U.S. workers before hiring temporary foreign workers; and (2) prohibiting lay-offs of U.S. workers to replace them with foreign temporary workers. These reforms, if enacted, would help target H-1B usage to industries and employers that are experiencing skill shortages.

Also, the Administration believes that the first response for increasing the availability of skilled workers for industry must be increasing the skills of U.S. workers and helping the labor market work better to match employers with U.S. workers. S.1723 includes an authorization for a scholarship fund and a small fund to train dislocated workers, but it provides no funding for these programs. The Administration believes that increased training opportunities for U.S. workers should be funded, in part, through a modest H-1B application fee paid by employers. In addition, the Administration has called upon the private sector to establish training programs and partnerships with educational institutions to give U.S. workers the skills needed for these jobs. It also has urged industry to reach out to dislocated workers as well as segments of the labor force underrepresented in high skilled jobs. The Administration is eager to work with industry to help create these programs and partnerships.

Additional efforts to increase the skill level of U.S. workers and needed improvements in the H-1B program are necessary prerequisites for the Administration to support any short-term increase in the number of H-1B visas available for temporary foreign workers. The Administration wants to work with the Congress to develop a bill that addresses the growing demand for highly skilled workers, while effectively protecting and promoting the interests of U.S. workers and enhancing the international competitiveness of important U.S. industries.

Pay-As-You-Go Scoring

S. 1723 would increase direct spending and receipts; therefore it is subject to the pay-as-you-go requirement of the Omnibus Budget Reconciliation Act (OBRA) of 1990. The bill does not contain provisions to fully offset the increased direct spending. OMB's preliminary scoring estimates that this bill would increase direct spending by $1 million annually during FYs 1999-2003.

* * * * * * *

THE WHITE HOUSE

WASHINGTON

April 30, 1998

The Honorable Lamar Smith
Chairman
Subcommittee on Immigration
Judiciary Committee
U. S. House of Representatives
Washington, D.C. 20510

Dear Mr. Chairman:

Today, your Subcommittee will mark-up H.R. 3736, the "Workforce Improvement and Protection Act of 1998" which is intended to address the growing demand for skilled workers in the information technology (IT) industry by enacting a temporary increase in the annual cap on the number of visas for temporary foreign "specialty" workers under the H-1B program, while also effecting reforms to the H-1B program that would help target their usage to industries and employers that are actually experiencing skill shortages.

The Administration believes that the first step in increasing the availability of skilled workers <u>must</u> be raising the skills of U.S. workers and helping the labor market work better to match employers with U.S. workers. Therefore, substantial additional efforts by industry to increase the skill level of U.S. workers and needed improvements in the H-1B visa program are necessary prerequisites for the Administration to support any short-term increases in the number of visas for temporary foreign workers.

We are pleased that H.R. 3736 is consistent with one of our primary objectives, insofar as it conditions a temporary increase in the H-1B cap on the enactment of meaningful reforms to the H-1B visa program. Your bill would help ensure that U.S. workers would not lose their jobs to a temporary foreign worker and that qualified U.S. workers would have the opportunity to fill a job before a temporary foreign worker is hired. Moreover, your bill modestly expands enforcement authority to help prevent employer abuses of the H-1B program. These reforms will effectively target H-1B visas to industries experiencing skill shortages.

Unfortunately, H.R. 3736 does not contain any provision for additional training opportunities for U.S. workers. Training is a vital component of our strategy to address the long-term demand for highly skilled U.S. workers and to enhance the international competitiveness of important U.S. industries. An effective training strategy would also work to reduce the demand for H-1B visas. We are also concerned that the increase in the annual number of H-1B visas reflected in this bill is too large, although we agree that the increase should last for only three years.

For these reasons, the Administration believes that this legislation would substantially improve the current H-1B program and, with the addition of meaningful training provisions and a modest reduction in the level of increase in the annual H-1B visa cap, would garner the Administration's support. Modifications to the H-1B program that appropriately protect U.S. workers will also reinforce the Administration's strong support for legal immigration. We look forward to working with the Congress on these and other specific provisions in the bill.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

BRUCE REED
Assistant to the President
for Domestic Policy

GENE B. SPERLING
Assistant to the President
for Economic Policy

cc: Representative Melvin L. Watt, Ranking Member

Office of the Attorney General
Washington, D.C. 20530

April 2, 1998

The Honorable Orrin Hatch
Chairman, Committee on the Judiciary
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Today, your committee will mark-up S. 1723, the "American Competitiveness Act" which is intended to respond to the growing demand for skilled workers in the information technology (IT) industry by increasing the annual cap on the number of temporary visas for foreign "specialty" workers under the H-1B program. For the reasons outlined below, the Administration strongly opposes S. 1723.

The Administration believes that the first step in increasing the availability of skilled workers must be raising the skills of U.S. workers and helping the labor market work better to match employers with U.S. workers. Therefore, substantial additional efforts by industry to increase the skill level of U.S. workers and needed improvements in the H-1B visa program are necessary prerequisites for the Administration to support any short-term increases in the number of visas for temporary foreign workers. Since 1993, this Administration has sought reforms of the H-1B program, including requiring employers to make bona fide efforts to recruit and retain U.S. workers before hiring temporary foreign workers and prohibiting lay-offs of U.S. workers to replace them with temporary foreign workers. These reforms, if enacted, would help target H-1B usage to industries and employers that are experiencing skill shortages.

Regrettably, S. 1723, as introduced, emphasizes providing opportunities for foreign workers rather than providing for and protecting U.S. workers. For example, the bill includes a permanent, substantial increase in the annual number of H-1B visas, from 65,000 up to 115,000. Also, the bill does not require that employers recruit and retain U.S. workers before hiring temporary foreign workers, and it does not prohibit employers from laying-off U.S. workers in order to replace them with temporary foreign workers. Moreover, rather than strengthening program requirements and enforcement to prevent employer abuses of the H-1B program, S.1723 undermines some of the program's important enforcement provisions.

The Administration has reviewed the bill proposed by Senators Kennedy and Feinstein. We believe that the Kennedy-Feinstein approach is, on the whole, consistent with the objectives we have articulated. It constructively addresses both the short-term and long-term implications of the increasing demand for skilled workers by putting U.S. workers first, while addressing the labor market needs of our rapidly changing economy, and making fundamental reforms to the H-1B visa program.

The Administration wants to work with the Congress to address the growing demand for highly skilled workers, while effectively protecting and promoting the interests of U.S. workers and enhancing the international competitiveness of important U.S. industries.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Janet Reno
JANET RENO
Attorney General

William Daley
WILLIAM DALEY
Secretary of Commerce

Alexis M. Herman
ALEXIS HERMAN
Secretary of Labor

cc: Senator Patrick Leahy, Ranking Member
Senator Spencer Abraham, Chairman, Immigration Subcommittee
Senator Edward Kennedy, Ranking Member, Immigration Subcommittee
Members of the Senate Judiciary Committee

June 4, 1998

The Honorable Lamar Smith
Chairman
Subcommittee on Immigration
Judiciary Committee
U. S. House of Representatives
Washington, D.C. 20510

DRAFT

Dear Mr. Chairman:

I understand that concerns have been raised about possible confusion and delay related to the processing of applications under the H-1B visa program if the reforms to this program included in H.R. 3736 are enacted prior to when the Department of Labor could reasonably be expected to promulgate implementing regulations.

Consistent with our shared goals of reforming the H-1B program and increasing the availability of temporary foreign workers for positions where skill shortages exist, we propose enacting distinct effective dates for the increase in the number of H-1B visas and the implementation of the reform attestations. We recommend that while the increase in the H-1B cap should be effective upon enactment, the reforms should not take effect until the Department of Labor has completed its rulemaking process. It would be my intention to have the Department act in a timely manner (as occurred with the Welfare-to-Work and Family and Medical Leave Act regulations) and complete the rulemaking process within 150 days. Of course, Congress also has the option of directing the Department to complete the rulemaking within a specified period of time.

Please feel free to contact me or my staff with any questions regarding this matter.

Sincerely,

ALEXIS HERMAN
Secretary of Labor

UNITED STATES DEPARTMENT OF LABOR

FACSIMILE TRANSMISSION

OFFICE OF CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS

200 Constitution Avenue,
N.W.
Room S-1325
Washington, DC 20210

Confirmation:
202/219-6141

June 2, 1998/1:06pm

TO: JULIE AND CECE

DEPARTMENT/COMPANY:

FACSIMILE NUMBER: 5581 / 2123

FROM: EARL GOHL

NUMBER OF PAGES INCLUDING COVER:

FACSIMILE REPLIES:	CONGRESSIONAL AFFAIRS	202/219-5120
	INTERGOVERNMENTAL AFFAIRS	202/219-5736
	IMMEDIATE OFFICE OF THE ASSISTANT SECRETARY	202/219-5288

MESSAGE: *I have not gotten a reaction from geri and seth....but let me know if this works better then the last one?*

needs fixing

As you are aware concerns have been raised about how prospective employers of temporary nonimmigrant "speciality" workers, admitted under H-1B visas, could comply-and understand their compliance obligations-if new attestation elements included in H.R. 3736 become effective 30 days after the date of enactment. These concerns arise because, ~~on~~ as of this early effective date the Department of Labor could not yet have published implementing regulations, through notice and comment rulemaking, further defining the compliance requirement relating to the new attestations.

I want to assure you that the Department is interested in working with the Congress to both reform the H-1B program and to increase the availability of "speciality" workers for positions where skill shortages exist. As we have conveyed in staff level conversations, it is our view that the appropriate solution to this problem would be to have distinct effective dates for increased visa availability and for the implementation of the reform attestations. We would recommend that Congress make the effective date of the reform attestation upon completion of the Department's rulemaking process. It would be my intention to have the Department move in a timely manner as occurred with the Welfare to Work program and to complete the rulemaking process within ~~180~~ 150 days, and of course, Congress has the option of directing the Department to complete the rulemaking be completed with a specified period of time.

Thank you for soliciting our view in this matter.

~~it is unlikely that~~ the Dept. of Labor will not have completed the process of promulgating regs, through n&c rulemaking, ~~[illegible]~~ by the effective date ~~of the~~ ~~[illegible]~~

— DRAFT 5/26/98 DRAFT

The Honorable

Dear ______:

I understand that concerns have been raised about how prospective employers of temporary nonimmigrant "~~professional~~" Specialty workers, admitted under H-1B visas, could comply – and understand their compliance obligations – if the new attestation elements included in H.R. 3736 become effective 30 days after the date of enactment. These concerns arise because on this early effective date the Department of Labor could not yet have published implementing regulations, through notice-and-comment rulemaking, further defining the compliance requirements relating to the new attestations.

As we have conveyed in staff-level conversations, it is our view that the appropriate solution to this problem would be to either: (1) make the new attestation elements in H.R. 3736 effective at a later date, such as 180 days after enactment, to afford the time needed for notice-and-comment rulemaking; or (2) make the new attestation elements effective upon completion of the Department's rulemaking process. Since the latter course introduces some uncertainty in the effective date, because the duration of a rulemaking process can be affected by a variety of factors, we would suggest that you can best address the concerns expressed if the bill were modified to make the attestation elements effective 180 days after enactment.

Thank you for soliciting our views in this matter.

Sincerely,

UNITED STATES DEPARTMENT OF LABOR

FACSIMILE TRANSMISSION

OFFICE OF CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS

200 Constitution Avenue,
N.W.
Room S-1325
Washington, DC 20210

Confirmation:
202/219-6141

May 11, 1998/7:46pm

TO: PETER JACOBY
JULE FERNANDEZ
CECI ROUSE

DEPARTMENT/COMPANY: 2604
5581
2223

FACSIMILE NUMBER:

FROM: EARL GOHL

NUMBER OF PAGES INCLUDING COVER:

FACSIMILE REPLIES:	CONGRESSIONAL AFFAIRS	202/219-5120
	INTERGOVERNMENTAL AFFAIRS	202/219-5736
	IMMEDIATE OFFICE OF THE ASSISTANT SECRETARY	202/219-5288

MESSAGE:

THE WHITE HOUSE

WASHINGTON

June 5, 1998

Honorable Paul Sarbanes
33 Hart Senate Office Building
Washington, DC 20510

Dear Senator Sarbanes:

Thank you for your letter describing your ideas for modifying the existing training provision in S. 1723 to include specific components of Regional Skills Alliances as originally proposed by the Progressive Policy Institute. As you know, the Administration also believes it is imperative that we increase the skills of U.S. workers in order to meet the growing needs of our critical industries, and that these additional training opportunities should be funded through a modest application fee paid by employers. In addition, we appreciate your attempts to reform the H-1B program to protect U.S. workers and help target usage of the H-1B program to employers who are genuinely facing skills shortages.

The Administration understands the strengths of the Regional Skills Alliances that you and Senator Lieberman have proposed, and we concur that cooperation among employers, training providers, and other interested organizations is critical for developing a skilled labor force for the new economy. We look forward to working with you to ensure that the final legislation includes meaningful reforms to the H-1B visa program and increased for training for U.S. workers funded by a modest application fee.

Sincerely,

signed by
Sally Katzen

Sally Katzen

THE WHITE HOUSE

WASHINGTON

June 5, 1998

Honorable Joseph Lieberman
Senate Office Building
Washington, DC 20510

Dear Senator Lieberman:

Thank you for your letter describing your ideas for modifying the existing training provision in S. 1723 to include specific components of Regional Skills Alliances as originally proposed by the Progressive Policy Institute. As you know, the Administration also believes it is imperative that we increase the skills of U.S. workers in order to meet the growing needs of our critical industries, and that these additional training opportunities should be funded through a modest application fee paid by employers. In addition, we strongly believe that in order to help target usage of the H-1B program to employers who are genuinely facing skills shortages, the H-1B program must be reformed to protect U.S. workers.

The Administration understands the strengths of the Regional Skills Alliances that you and Senator Sarbanes have proposed, and we concur that cooperation among employers, training providers, and other interested organizations is critical for developing a skilled labor force for the new economy. We look forward to working with you to ensure that the final legislation includes meaningful reforms to the H-1B visa program and increased for training for U.S. workers funded by a modest application fee.

Sincerely,

signed by
Sally Katzen

Sally Katzen

Congress of the United States

Washington, DC 20515

President William J. Clinton
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear President Clinton:

As you know, the visa allocation for the H-ib visa program for this fiscal year was reached on May 9, 1998. American companies who rely on highly skilled nonimmigrants have been unable to temporarily hire such individuals since that date. While Congress has considered several measures to address this issue, including S. 1723 and H.R. 3736, we are concerned that these bills will not successfully resolve the critical issues that exist in this area.

While the Senate passed S. 1723, the House is still deliberating upon H.R. 3736. In reviewing H.R. 3736, we note two areas where further effort is required. First, we understand that the inclusion of a strong education and training component is a priority. H.R. 3736 does not have such a provision. Secondly, we understand that the provisions which would require companies to certify or "attest" that they have adhered to particular hiring and layoff practices are drafted in such a manner as to provide immense practical difficulties for employers. While we realize these provisions were well intentioned, we are concerned that the certification or "attestation" language in H.R. 3736 may also result in legislative deadlock.

We would appreciate your leadership in moving discussion on this issue to a sensible middle ground. In the past, you have so often provided Congress with the necessary impetus to work through seemingly intractable legislative deadlock. We believe that with the assistance of the Administration, and the sincere efforts of the parties involved, we will be able to craft an acceptable legislative product that will serve the American workforce, help educate American children and keep American companies competitive in the global economy.

Sincerely,

Zoe Lofgren
Member of Congress

Jim Moran
Member of Congress

Karen McCarthy
Member of Congress

Ron Kind
Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

Member of Congress

The Honorable Paul Sarbanes
U.S. Senate
Washington, D.C. 20515

Dear Senator Sarbanes:

Thank you for your letter of July 23 in which you request the Administration's policy on S. 2021, the Technology Skills Partnership Act.

As you know, the President supports occupational training that addresses regional shortages of high-tech workers and recently signed the bipartisan Workforce Investment Partnership Act. That Act will reform America's job training system by empowering individuals, streamlining services, enhancing accountability, and increasing flexibility so that it works better for today's workers and is more responsive to America's rapidly changing economy.

The Administration has promoted additional policies and programs to help prepare the workforce of today and tommorrow for a technology intensive economy. First, the President has focused on education as an important foundation for building technical skills. The Goals 2000 Educate American Act of 1994 includes Federal investments for improvements in math and science education in pre K-12. Since over half of the new jobs created in the last three years require higher-level skills and training beyond what a high school diploma affords, the President has initiated strategies to make college more accessible and affordable through Hope Scholarships and the Lifetime Learning Credit.

Further, School-to-Work funding is being used to create systems that integrate academic and vocational learning, expose students to a range of career possibilities, expand opportunities for students to engage in internships or other work experiences, and forge links between high schools and post-secondary education institutions. The President also requested, and received funding from Congress for the Technology Literacy Challenge to encourage state, local and private sector partnerships to achieve educational technology goals.

As we consider the specific proposals made by S.2021, be assured that we will keep your views in mind. Thank you again for your interest on this subject.

Sincerely,

Jacob J. Lew

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

LABOR BRANCH FAX SHEET

DATE: 9/18/98

TO: JULIE FERNANDEZ

FROM: LARRY MATLACK

COMMENTS: As discussed. Please share w/ CEQ so we know what position (if any) to adopt in our response.

NUMBER OF PAGES (INCLUDING COVER) 4

CONFIRMATION: (202) 395-3262
FAX NUMBER: (202) 395-1596

PAUL S. SARBANES
MARYLAND

309 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510
202-224-4524

United States Senate

WASHINGTON, DC 20510-2002

July 23, 1998

JUL 27

The Honorable Jacob Lew
Director
Office of Management and Budget
Old Executive Office Building, Room 252
17th and Pennsylvania Ave., NW
Washington, DC 20503

Dear Director Lew:

We are writing to request a Statement of Administration Policy on S.2021, the Technology Skills Partnership Act. S.2021 is an effort to provide our nation's workforce with the skills it needs to meet the rapidly changing demands of a high-tech global economy. It brings together small and medium sized employers with similar skill-set needs to develop cooperative training programs.

Recent nationwide surveys estimate 190,000 jobs unfilled due to a shortage of qualified, appropriately skilled workers. The Department of Commerce estimates 1.3 million new computer engineers, programmers, and systems analysts may be needed over the next decade. Foreign workers are helping to fill this skills gap. U.S. workers could be filling these well-paying jobs, if they had the skills.

Consider some of these promising alliances. In Wisconsin, metal-working firms together with the AFL-CIO refitted an abandoned mill with state-of-the-art manufacturing equipment to teach workers essential metal-working skills. Rhode Island helped develop a skills alliance among plastic firms, which then worked with a local community college to create a polymer training laboratory linked to an apprenticeship program that guarantees jobs for graduates. In Washington, DC, telecommunications firms donated computers, and helped set up a program to train public high school students to be computer network administrators and are now hiring graduates of the program at entry-level salaries of $25,000-$30,000.

S. 2021 is a modest proposal that complements the recently passed Workforce Investment Partnership Act and builds on the same goals of increasing private sector leadership and opening training programs to employed workers who want to change or upgrade their skills.

We must invest in our workforce to meet the demands of the 21st Century, otherwise we risk not only leaving our workers behind, but also undermining our country's competitiveness, productivity and economic growth. We urge your strong endorsement of S.2021, the Technology Skills Partnership Act.

Sincerely,

Paul S. Sarbanes
United States Senator

Joseph I. Lieberman
United States Senator

Charles S. Robb
United States Senator

UNITED STATES DEPARTMENT OF LABOR

FACSIMILE TRANSMISSION

OFFICE OF CONGRESSIONAL AND INTERGOVERNMENTAL AFFAIRS

200 Constitution Avenue,
N.W.
Room S-1325
Washington, DC 20210

Confirmation:
202/219-6141

October 8,
1998/4:12pm

TO: JULIE FERNANDEZ

DEPARTMENT/COMPANY:

FACSIMILE NUMBER: 456-5581

FROM: EARL GOHL

NUMBER OF PAGES INCLUDING COVER: 7

FACSIMILE REPLIES:	CONGRESSIONAL AFFAIRS	202/219-5120
	INTERGOVERNMENTAL AFFAIRS	202/219-5736
	IMMEDIATE OFFICE OF THE ASSISTANT SECRETARY	202/219-5288

MESSAGE: Please see attached.

SAM ŌWNBACK
KANSAS

(202) 224-6521 PHONE
(202) 228-1265 FAX

COMMITTEES:
COMMERCE, SCIENCE, AND TRANSPORTATION
FOREIGN RELATIONS
GOVERNMENTAL AFFAIRS
JOINT ECONOMIC COMMITTEE

United States Senate

WASHINGTON, DC 20510-1604

Theresa Esquibell
Office of Congressional Affairs
U.S. Department of Labor
Room S200-1325
200 Constitution Avenue, N.W.
Washington, D.C. 20210

RE: Sam Raja

Dear Ms. Esquibell

Enclosed please find correspondence from a constituent, Mr. Sam Raja. You will note from the letter complaints of unfair labor practice against Best Computer Consultants Inc.

I would appreciate any information you may be able to provide in helping to address this matter. Should you have any questions regarding this inquiry please feel free to contact Shawn Cowing in my Overland Park office at (913) 492-6378.

Thank you for your help in resolving this matter.

Sincerely,

Sam Brownback U.S.S.

Sam Brownback
United States Senator

SB:jl

Senator Sam Brownback
11111 West 95th, Suite 245
Overland Park, KS 66214

SEP 16 REC'D

From

Sam Raja,
4152 Lexington Ave N #5202
Shoreview , MN-55126.
Ph: 612-486-2753.

To

Senator Sam Brownback,
Kansas.

Sub: **Unfair Labor Practice at Kansas.**

Sir,

First, let me thank you for taking time during your schedule to read this. I would like to bring to your attention, the unfair labor practice that supports the bonded slavery by a company located at Kansas. I contacted the Department of Labor, Kansas and I was given your address to give this written complaint.
The company is :

Best Computer Consultants Inc.,
8595 College Boulevard Suite 150,
Overland Park, KS-66210.
Ph: 1-800-297-0153

Best Computer Consultants Inc., will hereto be referred as "BCC". The company is owned by **Mr. Kannan P. Srinivasan,** who is from Madras(Chennai) India. The company's main business is providing computer consultant services, but they also provide other services. BCC brings Computer professionals to USA from India and contracts them to their Clients in the various states in USA. Every employee is well qualified and skilled to work as a Computer consultant. BCC recruits the employees through an Indian Company **"BCC Computers Ltd."** (Referred to as BCL) which is in Madras, India. This is also owned by Mr. Kannan P. Srinivasan. As per legal and documentation significance BCL is registered as the **"Subsidiary"** company of BCC, Kansas, USA.

BCC Computers Ltd.,
47/C II floor, II Main Road,
Gandhi nagar, Adayar,
Madras - 600 020.

The employees of BCL, sign an agreement in India which states that they have to work for three years for the parent company in the United States. Owing to the unemployment problems in India, to earn a living for the family, and the good representation about the functioning of the office in USA, the employees sign the agreement and it is usually co-signed (guaranteed) by the parent or a relative. This agreement also states that if an employee terminates his employment or if he is terminated before a period of three years, he has to pay a sum of Rupees(Rs.) 3,00,000 to Rs.10,00,000 (approximately equal to $7,500 to $25,000 or more) in India. The employees submit all their school and college certificates to BCL and it is under their possession until the agreement holds good.

The authorization to work in the USA, H1B visa and the LCA (Labor Clearance Act) Certificate are applied for by BCC to the INS (Immigration and Naturalization Services) and DOL (Department of Labor) for all the employees. On approval the employee is brought to USA at the company's expense. Once the employee lands here he is totally dependent on the company for shelter, transportation and food. Most of the employees might have a maximum of $50 - $100 with them. Most of them will be in a perplexed state due to the transition, 15,000 miles away from home and family, though they have anticipated the changes. Moreover their minds are totally occupied by the interviews that they will be attending to take up a job at the Clients site.

The day after entry into this country, the employee is asked to sign another employment agreement which also has a **Demand promissory Note** with an unfilled amount and date. The Agreement is drafted so carefully that it does not give equal position to the employer and the employee. Yet it takes away all the legal and human rights of an employee. Some employees have signed the Agreement without any thought about the consequences. Those who refused were convinced that this is a company policy, a formality for every employee and that it is similar to the agreement made in India but based on the Kansas labor law. Some were even threatened of being sent back to India, if they did not sign, where the employee will have to pay the amount as per the agreement and also his visa and ticket charges to the United States. You may wonder why no one has rejected this and has gone back to India, but the ticket and visa charges alone could easily be a year's salary in India. Moreover it is very difficult to find employment there. Thus the company gets the agreement signed. Note that almost all BCC consultants are Indian Citizens. (I know of only one American consultant out of 60-70 people).

Now, the employee has signed his agreement he has to wait for his luck to favor him in getting through the interviews. **The employee is not paid for the first 21 days of his/her employment and some of them who landed after September 1997 were not paid for 45 days**. I can provide the list of the employees including my wife who were not paid for the initial 21 days. I believe that it is against the Immigration law. It is apparent that the employee loses all his rights both legal and human for a period of 3 years. According to the Agreement, the employee

- has no choice of location to work,
- has no preference of platform/ work environment,
- has no choice of being with his family (if married and my history will highlight this),
- cannot ask for an increase in their salary in the due period, and
- has no right to a seek job with any other employer or client if offered a job.

It is the company's general practice to bring the employees from India and make them to be stuck with company as long as they can. During this period they are abused in several ways. All those who tried to escape from this bonded slavery they were threatened through Attorney notices.

BCC places the consultants and deals the contract. The rate of pay to BCC for the work done by the employee is almost more that $50 per hour. Approximately an employee works 2000 hours in a year. The company earns a minimum of $100,000 through an employee but he /she is paid $40,000 - $50,000 per annum. There is hardly any loss for the company by an employee. Yet, the company demands money from the employee as liquidity damages, visa charges, recruitment fees and even the relocation charges spent for the employee although he/she relocates to the company's request.

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. fax	To Sam Brownback from Sam Raja re: Unfair Labor Practice at Kansas (p. 3-5) (3 pages)	10/08/1998	b(6)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Irene Bueno
OA/Box Number: 17168

FOLDER TITLE:

H1B Background: Letters [2]

2017-1120-S
ry2215

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

The Honorable Henry J. Hyde
Chairman
Committee on the Judiciary
U.S. House of Representatives
Washington, D.C. 20515

DRAFT

Dear Chairman Hyde:

Today, your Committee will mark-up H.R. 3736, the "Workforce Improvement and Protection Act of 1998" which is intended to address the growing demand for skilled workers in the information technology (IT) industry by enacting a temporary increase in the annual cap on the number of visas for temporary foreign "specialty" workers under the H-1B program, while also effecting reforms to the H-1B program that would help target their usage to industries and employers that are actually experiencing skill shortages.

The Administration believes that the first step in increasing the availability of skilled workers must be raising the skills of U.S. workers and helping the labor market work better to match employers with U.S. workers. Therefore, substantial additional efforts to increase the skill level of U.S. workers and needed improvements in the H-1B visa program are necessary prerequisites for the Administration to support any short-term increase in the number of visas for temporary foreign workers.

We are pleased that H.R. 3736 as reported from the Immigration and Claims Subcommittee is consistent with one of our primary objectives, insofar as it links a temporary increase in the H-1B cap to the enactment of meaningful reforms to the H-1B visa program. H.R. 3736 would help ensure that U.S. workers do not lose their jobs to temporary foreign workers and that qualified U.S. workers have the opportunity to fill a job before a temporary foreign worker is hired. Moreover, H.R. 3736 modestly expands enforcement authority to help prevent employer abuses of the H-1B program. These reforms will effectively target H-1B visas to industries experiencing skill shortages. The Administration strongly opposes amendments that would weaken these reforms.

Unfortunately, H.R. 3736 does not contain any provision to encourage additional training of U.S. workers. Training is a vital component of our strategy to address the long-term demand for highly skilled U.S. workers and to enhance the international competitiveness of important U.S. industries. An effective training strategy would also work to reduce the demand for H-1B visas. The Administration strongly supports amending H.R. 3736 to provide for additional training opportunities for U.S. workers and believes that this training should be funded, in part, through a modest H-1B application fee paid by employers. The Administration is also concerned that the increase in the annual number of H-1B visas reflected in this bill is too large, although we agree that the increase should last for only three years.

The Administration believes that H.R. 3736 would substantially improve the current H-1B program and, with the addition of a meaningful training provision and a modest reduction in the level of increase in the annual H-1B visa cap, would garner the Administration's support. We look forward to working with the Congress on these and other specific provisions in the bill.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

Reno Daley Herman

Office of the Attorney General
Washington, D.C. 20530

April 2, 1998

The Honorable Orrin Hatch
Chairman, Committee on the Judiciary
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Today, your committee will mark-up S. 1723, the "American Competitiveness Act" which is intended to respond to the growing demand for skilled workers in the information technology (IT) industry by increasing the annual cap on the number of temporary visas for foreign "specialty" workers under the H-1B program. For the reasons outlined below, the Administration strongly opposes S. 1723.

The Administration believes that the first step in increasing the availability of skilled workers must be raising the skills of U.S. workers and helping the labor market work better to match employers with U.S. workers. Therefore, substantial additional efforts by industry to increase the skill level of U.S. workers and needed improvements in the H-1B visa program are necessary prerequisites for the Administration to support any short-term increases in the number of visas for temporary foreign workers. Since 1993, this Administration has sought reforms of the H-1B program, including requiring employers to make bona fide efforts to recruit and retain U.S. workers before hiring temporary foreign workers and prohibiting lay-offs of U.S. workers to replace them with temporary foreign workers. These reforms, if enacted, would help target H-1B usage to industries and employers that are experiencing skill shortages.

Regrettably, S. 1723, as introduced, emphasizes providing opportunities for foreign workers rather than providing for and protecting U.S. workers. For example, the bill includes a permanent, substantial increase in the annual number of H-1B visas, from 65,000 up to 115,000. Also, the bill does not require that employers recruit and retain U.S. workers before hiring temporary foreign workers, and it does not prohibit employers from laying-off U.S. workers in order to replace them with temporary foreign workers. Moreover, rather than strengthening program requirements and enforcement to prevent employer abuses of the H-1B program, S.1723 undermines some of the program's important enforcement provisions.

The Administration has reviewed the bill proposed by Senators Kennedy and Feinstein. We believe that the Kennedy-Feinstein approach is, on the whole, consistent with the objectives we have articulated. It constructively addresses both the short-term and long-term implications of the increasing demand for skilled workers by putting U.S. workers first, while addressing the labor market needs of our rapidly changing economy, and making fundamental reforms to the H-1B visa program.

The Administration wants to work with the Congress to address the growing demand for highly skilled workers, while effectively protecting and promoting the interests of U.S. workers and enhancing the international competitiveness of important U.S. industries.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

JANET RENO Attorney General	WILLIAM DALEY Secretary of Commerce	ALEXIS HERMAN Secretary of Labor

cc: Senator Patrick Leahy, Ranking Member
Senator Spencer Abraham, Chairman, Immigration Subcommittee
Senator Edward Kennedy, Ranking Member, Immigration Subcommittee
Members of the Senate Judiciary Committee

THE WHITE HOUSE

WASHINGTON

April 30, 1998

The Honorable Lamar Smith
Chairman
Subcommittee on Immigration
Judiciary Committee
U. S. House of Representatives
Washington, D.C. 20510

Dear Mr. Chairman:

Today, your Subcommittee will mark-up H.R. 3736, the "Workforce Improvement and Protection Act of 1998" which is intended to address the growing demand for skilled workers in the information technology (IT) industry by enacting a temporary increase in the annual cap on the number of visas for temporary foreign "specialty" workers under the H-1B program, while also effecting reforms to the H-1B program that would help target their usage to industries and employers that are actually experiencing skill shortages.

The Administration believes that the first step in increasing the availability of skilled workers must be raising the skills of U.S. workers and helping the labor market work better to match employers with U.S. workers. Therefore, substantial additional efforts by industry to increase the skill level of U.S. workers and needed improvements in the H-1B visa program are necessary prerequisites for the Administration to support any short-term increases in the number of visas for temporary foreign workers.

We are pleased that H.R. 3736 is consistent with one of our primary objectives, insofar as it conditions a temporary increase in the H-1B cap on the enactment of meaningful reforms to the H-1B visa program. Your bill would help ensure that U.S. workers would not lose their jobs to a temporary foreign worker and that qualified U.S. workers would have the opportunity to fill a job before a temporary foreign worker is hired. Moreover, your bill modestly expands enforcement authority to help prevent employer abuses of the H-1B program. These reforms will effectively target H-1B visas to industries experiencing skill shortages.

Unfortunately, H.R. 3736 does not contain any provision for additional training opportunities for U.S. workers. Training is a vital component of our strategy to address the long-term demand for highly skilled U.S. workers and to enhance the international competitiveness of important U.S. industries. An effective training strategy would also work to reduce the demand for H-1B visas. We are also concerned that the increase in the annual number of H-1B visas reflected in this bill is too large, although we agree that the increase should last for only three years.

For these reasons, the Administration believes that this legislation would substantially improve the current H-1B program and, with the addition of meaningful training provisions and a modest reduction in the level of increase in the annual H-1B visa cap, would garner the Administration's support. Modifications to the H-1B program that appropriately protect U.S. workers will also reinforce the Administration's strong support for legal immigration. We look forward to working with the Congress on these and other specific provisions in the bill.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

BRUCE REED
Assistant to the President
for Domestic Policy

GENE B. SPERLING
Assistant to the President
for Economic Policy

cc: Representative Melvin L. Watt, Ranking Member