



INTERNATIONAL FEDERATION OF PROFESSIONAL & TECHNICAL ENGINEERS AFL-CIO & CLC

501 3rd Street, NW, Suite 701, Washington, DC 20001
202-239-4880 • FAX 202-239-4881 • www.ifpte.org

GREGORY J. JUNEMANN
President

PAUL SHEARON
Secretary-Treasurer

2018 IFPTE Issue Brief

115th Congress

AREA VICE PRESIDENTS

Charlie Trembley
EXECUTIVE VICE PRESIDENT
NORTHEASTERN

Dean Coate
WESTERN

Joel Funfar
SPEEA

Gay Henson
EASTERN FEDERAL

Misty Hughes-Newman
CANADIAN

Donna Lehane
SPEEA

John Mader
WESTERN

Sean P. McBride
ATLANTIC

Gerald Newsome
ATLANTIC

Michael Rudolf
MIDWESTERN

Ryan Rule
SPEEA

Dr. Leland S. Stone
WESTERN FEDERAL

Scott Travers
CANADIAN

Congress Should Reform the H-1B Program, Not Expand It

IFPTE 2018 Legislative Request: Congress should oppose S 2344, the so-called I-Squared bill. Congress should also oppose HR 107, as it would have no impact on employers' ability to fire American workers in favor of H-1B workers. Instead IFPTE supports the creation of an independent commission that would assess and manage future labor flows based on labor market shortages supported by data, and urges your support for HR 1303 and S 180, which provide positive reforms to the H-1B program.

Continued efforts by Congress to expand H-1B Visas are misguided – There continue to be efforts by some lawmakers to provide U.S. companies access to cheap foreign labor at the expense of American workers. One in particular is S. 2344, the so-called I-Squared bill, sponsored by Senators Orrin Hatch (R-UT) and Jeff Flake (R-AZ). This legislation will undermine our nation's workforce by driving down wages for current high-tech workers, and have a dramatic negative impact on students who are considering pursuing degrees in Science, Technology, Engineering and Math (STEM). Not only will this bill increase the numbers of H-1B visas from 65,000 annually to 195,000, it will allow employers to continue paying below-market wages to H-1B workers, while having no meaningful requirement to recruit American workers before hiring an H-1B worker, and an ability to fire American workers in favor of H-1B workers.

Congressman Darrell Issa (R-CA) introduced HR 107, the *Protect and Grow American Jobs Act* (HR 170), which passed the House last year. Representative Issa's bill seeks to address the many problems plaguing the H-1B program by requiring H-1B dependent employers to pay H-1B visa holders at least \$90,000 a year, versus the current \$60,000 requirement. While IFPTE appreciates that effort, simply raising the wage requirement while ignoring the many other problems associated with the H-1B program will not prevent employers from firing U.S. workers, while abusing foreign H-1B workers.

Key lawmakers, President Trump support reforming of the H-1B program

President Trump has called for reform of the H-1B program. While he has been short on details, he has suggested that the right course of action would be to do away with the program altogether and auction H-1B Visas to the highest bidder.ⁱ While the devil is in the details, IFPTE supports the concept of allowing those willing to pay H-1B workers the highest salary to be awarded the H-1B visas.

There is little doubt that reform of the program is desperately needed. For example, in 2015 Disney World laid off 250 IT workers and replaced them with H-1B workers. In order to receive their severance pay and have a chance of being rehired elsewhere by Disney, the workers were forced to train their replacements, and as one worker said, "to make sure they were doing my job correctly."ⁱⁱⁱ Southern Cal Edison replaced 500 of their workers with H-1B visa holders in 2015 as wellⁱⁱⁱ, and other employers have done the same.

Senators Durbin (D-IL) and Grassley (R-IA), and Rep. Pascrell (D-NJ), have taken a more positive approach, introducing the H-1B and L-1 Visa Reform Act (S 180, HR 1303) which, among other things, raises the wage requirements for H-1B workers, adds more transparency to the program, and provides for stiffer penalties for employers who abuse the program. IFPTE believes this is the correct legislative approach.

Fallacy of the high-tech labor shortage claim

A 2015 policy brief from the Department for Professional Employees (DPE) found no shortage of STEM workers here in the United States. Instead, DPE found, "labor market indicators, including the supply of relevant workers and changes in wages, do not demonstrate a shortage of STEM workers."^{iv}

ⁱ Reuters, *Trump, Tech Tycoons talk overhaul of H-1B visas*, 1/12/2017

ⁱⁱ New York Times, *Pink Slips at Disney, But First Training Foreign Replacements*, 6/3/2015

ⁱⁱⁱ Computerworld, *Southern California Edison workers, "beyond furious" over H-1B replacements*, 2/4/2015

^{iv} Department for Professional Employees, *Guest Worker Programs and the STEM Workforce*, Fact Sheet 2015