



Report on H-1B Petitions

Fiscal Year 2013 Annual Report to Congress
October 1, 2012 – September 30, 2013

February 25, 2014



Homeland
Security

*U.S. Citizenship and
Immigration Services*



**Homeland
Security**

February 25, 2014

Foreword

On behalf of the Department of Homeland Security, I am pleased to present the following “Report on H-1B Petitions” for Fiscal Year 2013, prepared by U.S. Citizenship and Immigration Services.

Pursuant to statutory requirements, this report is being provided to the following Members of Congress:

The Honorable Patrick J. Leahy
Chairman, Senate Judiciary Committee

The Honorable Charles Grassley
Ranking Member, Senate Judiciary Committee

The Honorable Robert W. Goodlatte
Chairman, House Judiciary Committee

The Honorable John Conyers, Jr.
Ranking Member, House Judiciary Committee

Inquiries relating to this report may be directed to me at (202) 447-5890.

Respectfully,

A handwritten signature in black ink, appearing to read "Brian de Valence".

Brian de Valence
Acting Assistant Secretary for Legislative Affairs

Executive Summary

The *American Competitiveness and Workforce Improvement Act of 1998* (ACWIA), Pub. L. No. 105-277, div. C, tit. IV, § 416(c), 112 Stat. 2681, imposes quarterly reporting requirements on U.S. Citizenship and Immigration Services (USCIS) concerning the H-1B petition fees and fee exemptions.¹

To fulfill this requirement, USCIS submits the following report to cover the four quarters of Fiscal Year (FY) 2013, October 1, 2012 – September 30, 2013. The report provides information on:

- the number of H-1B petitions;
- the number of employers requiring an additional ACWIA petition fee as reinstated by the H-1B Visa Reform Act of 2004 and those exempt from the nonimmigrant H-1B ACWIA petition fee; and
- the number of aliens issued visas or otherwise provided H-1B nonimmigrant status pursuant to petitions filed by institutions or organizations described in section 212(p)(1) of the *Immigration and Nationality Act* (INA).²

In addition to the above, this report also provides information on the number of employers required to submit the Fraud Prevention and Detection Fee.

In all parts of this report, quarterly and annual data for FY 2013 are presented.

The data contained in this report were extracted from a USCIS Service Center electronic data file in October 2013.

¹ Section 416(c)(2) of ACWIA imposes annual reporting requirements on USCIS concerning information on the countries of origin and occupations of, educational levels attained by, and compensation paid to, aliens who were issued H-1B visas or otherwise granted H-1B nonimmigrant status. This information is contained in USCIS's FY 2013 report to Congress, *Characteristics of H-1B Specialty Occupation Workers*.

² Information is also included in this report on those aliens in the United States who are granted a change of status to or extension of stay in the H-1B1 nonimmigrant classification under the United States-Chile or United States-Singapore Free Trade Agreements. This report does not include information on those aliens who are granted an H-1B1 nonimmigrant visa abroad as an employer is not required to file a petition with USCIS for those aliens.



Report on H-1B Petitions

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I. Legislative Requirement

Section 416(c)(1) of the *American Competitiveness and Workforce Improvement Act of 1998* (ACWIA), Pub. L. No. 105-277, div. C, tit. IV, § 416(c)(1), 112 Stat. 2681, includes the following requirement:

[T]he Attorney General³ shall notify, on a quarterly basis, the Committees on the Judiciary of the U.S. House of Representatives and the Senate of the numbers of aliens who were issued visas or otherwise provided nonimmigrant status under section 101(a)(15)(H)(i)(b) of the *Immigration and Nationality Act* during the preceding 3-month period.

Furthermore, section 416(c)(3) of ACWIA requires each report to “include the number of aliens who were issued visas or otherwise provided nonimmigrant status pursuant to petitions filed by institutions or organizations described in section 212(p)(1) of the *Immigration and Nationality Act*.”

³ As of March 1, 2003, in accordance with section 1517 of Title XV of the Homeland Security Act of 2002 (HSA), Pub. L. No. 107-296, 116 Stat. 2135, any reference to the Attorney General in a provision of the Immigration and Nationality Act describing functions which were transferred from the Attorney General or other Department of Justice official to the Department of Homeland Security by the HSA “shall be deemed to refer to the Secretary” of Homeland Security. See 6 U.S.C. § 557 (2003) (codifying HSA, Title XV, § 1517).

II. Background

The *Immigration Act of 1990* established numerical limitations on the H-1B nonimmigrant classification⁴ to provide U.S. employers⁵ access to foreign skilled workers while ensuring worker protections. The numerical cap of 65,000 H-1B visas was reached for the first time in Fiscal Year (FY) 1997 and again in FY 1998 as demand increased significantly in the burgeoning technology sector.

In October 1998, Congress enacted ACWIA, Pub. L. No. 105-277, div. C, tit. IV, 112 Stat. 2681. ACWIA temporarily increased the H-1B cap to 115,000 for FY 1999 and FY 2000 and to 107,500 for FY 2001 while establishing an affirmative role for U.S. employers to assist with education and training efforts. Under ACWIA, an H-1B Nonimmigrant Petitioner Fee account was established to fund training and education programs administered by the Department of Labor and the National Science Foundation. Employers, unless explicitly exempt under the law, were required to pay a \$500 ACWIA fee for each H-1B worker sponsored. Employers who qualified as an institution or organization described in section 212(p)(1) of the *Immigration and Nationality Act* (INA) were exempted from payment of this fee. ACWIA imposed quarterly and annual reporting requirements on U.S. Citizenship and Immigration Services (USCIS) concerning the H-1B fee, fee exemption, and demographic H-1B worker data. The ACWIA fee of \$500 was initially scheduled to sunset on October 1, 2001.

The 106th Congress passed two bills that affected the H-1B program:

- A bill enacted as the untitled Public Law 106-311, 114 Stat. 1247 (Oct. 17, 2000); and
- The *American Competitiveness in the Twenty-first Century Act of 2000* (AC21), Pub. L. No. 106-313, 114 Stat. 1251 (Oct. 17, 2000).

First, pursuant to Public Law 106-311, Congress raised the ACWIA fee from \$500 to \$1,000 while exempting additional types of employers beyond those described in INA § 212(p)(1) from payment of this fee and extending the applicability of the fee provision to qualifying petitions filed by employers through September 30, 2003. Second, AC21 temporarily raised the H-1B cap to 195,000 for FYs 2001, 2002 and 2003 while exempting certain H-1B workers from the numerical limits. Starting in FY 2004, the H-1B cap was reduced back to 65,000 per fiscal year.

On December 8, 2004, Congress passed the *Omnibus Appropriations Act for FY 2005*, which contained the H-1B Visa Reform Act of 2004, and made several changes to the H-1B program.

⁴ The H-1B nonimmigrant classification is defined as “an alien ... who is coming temporarily to the United States to perform services ... in a specialty occupation described in section [214(i)(1)] or as a fashion model, who meets the requirements for the occupation specified in section [214(i)(2)] or, in the case of a fashion model, is of distinguished merit and ability, and with respect to whom the Secretary of Labor determines and certifies to the [Secretary of Homeland Security] that the intending employer has filed with the Secretary [of Labor] an application under section [212(n)(1)].” INA § 101(a)(15)(H)(i)(b). The H-1B1 classification is defined as an alien “who is entitled to enter the United States under and in pursuance of the provisions of an agreement listed in section [214(g)(8)(A)], who is engaged in a specialty occupation described in section [214(i)(3)], and with respect to whom the Secretary of Labor determines and certifies to the Secretary of Homeland Security and the Secretary of State that the intending employer has filed with the Secretary of Labor an attestation under section [212(t)(1)].” Id. § 101(a)(15)(H)(i)(b1).

⁵ Employers or agents may file an H-1B petition pursuant to 8 CFR 214.2(h)(2)(i)(F). All references to employers and any applicable fees discussed throughout this report also include agents.

See Pub. L. No. 108-447, div. J, tit. IV, 118 Stat. 2809. The *H-1B Visa Reform Act* permanently reinstated the ACWIA fee which had sunset on October 1, 2003, and raised it from \$1,000 to \$1,500 per qualifying petition. The *H-1B Visa Reform Act* did not alter the exemptions of certain types of employers from payment of the fee altogether,⁶ and lowered the fee to \$750 for employers who have no more than 25 full-time equivalent employees in the United States (including the number of employees employed by any affiliate or subsidiary of such employer). This fee applies to any initial H-1B petition filed on behalf of an alien by any employer or first extension request by the same employer for an alien filed after December 8, 2004, unless the petitioning organization is exempt from the fee.

The *H-1B Visa Reform Act* also instituted a new Fraud Prevention and Detection Fee (Fraud Fee) of \$500 that must be submitted with a petition seeking an initial grant of H-1B or L nonimmigrant classification⁷ or by an employer seeking to change an alien's employer within those classifications. The Fraud Fee does not apply to petitions filed with USCIS that extend or amend an alien's stay in H-1B or L classification filed by a current employer. Finally, the *H-1B Visa Reform Act* provided that up to 20,000 petitions filed on behalf of aliens who had earned a master's degree or higher from a U.S. secondary education institution would be exempt from the numerical cap.

This report covers the four quarters of FY 2013 and is presented in three parts:

- Section 3.1 provides information on the number of H-1B petitions;
- Section 3.2 provides information on the number of employers requiring an additional ACWIA petition fee as reinstated by the *H-1B Visa Reform Act* and those exempt from the nonimmigrant H-1B ACWIA petition fee; and
- Section 3.3 provides information on the number of employers required to submit the Fraud Fee.

In all parts of this report, quarterly and annual data for FY 2013 are presented.

⁶ See Section 3.2 of this report for further information about organizations that are exempt from the ACWIA fee.

⁷ The L-1 nonimmigrant classification is defined in section 101(a)(15)(L) of the INA as "an alien who, within 3 years preceding the time of his application for admission into the United States, has been employed continuously for one year by a firm or corporation or other legal entity or an affiliate or subsidiary thereof and who seeks to enter the United States temporarily in order to continue to render his services to the same employer or a subsidiary or affiliate thereof in a capacity that is managerial, executive, or involves specialized knowledge" Other than being another classification subject to this fee, the L classification has no bearing on the information presented in this report.

III. Data Report⁸

Section 3.1 – Number of H-1B petitions filed by employers in Fiscal Year 2013 and the number of H-1B petitions approved by the USCIS during this period.

Pursuant to section 214(c) of the INA, a U.S. employer using the H-1B program is required to file a petition with the Secretary of Homeland Security on behalf of an alien worker (the beneficiary). The petition must be approved before a visa is granted or an alien is provided nonimmigrant status. Accordingly, petition data is the basis of this report.

Table 1 provides information on the number of H-1B petitions filed by employers in FY 2013. This table also provides information on the number of H-1B petitions approved by USCIS during this period. Petitions filed in a particular quarter are not necessarily adjudicated in that same quarter.

A U.S. employer files the petition with USCIS to sponsor an alien worker as an H-1B nonimmigrant. This petition may be filed to sponsor an alien for an initial period of H-1B employment or to extend the authorized stay of an alien as an H-1B nonimmigrant. Several employers may file a petition for the same alien; however, for H-1B cap purposes such an alien will only be counted once. An employer may file a petition to sponsor an alien who currently has status as an H-1B nonimmigrant working for another employer or to amend a previously approved petition. Therefore, the total number of approved petitions may exceed the actual number of aliens who are provided nonimmigrant status as H-1B.

Of the 286,773 petitions approved in FY 2013, approximately 219,147 were both filed and approved during FY 2013. The remaining 67,626 were filed prior to FY 2013.

⁸ Sections 3.1 and 3.2 of this data report include information on those aliens in the United States who are granted a change of status to or extension of stay in the H-1B1 nonimmigrant classification under the United States-Chile or United States-Singapore Free Trade Agreements. It does not provide information on those aliens who are granted an H-1B1 nonimmigrant visa abroad as an employer is not required to file a petition with USCIS for those aliens. Section 3.3 does not account for aliens in the United States who are granted a change of status to or extension of stay in the H-1B1 nonimmigrant classification, however, because the Fraud Prevention and Detection Fee is not required for petitions seeking H-1B1 nonimmigrant status on behalf of an alien.

**Table 1. Number of H-1B Petitions Filed and Number Approved
by Quarter: FY 2011-FY 2013**

	Fiscal Year	Oct to Dec	Jan to Mar	Apr to Jun	Jul to Sep	Total
Petitions Filed	2011	55,781	44,995	86,716	80,162	267,654
	2012	65,186	36,217	150,104	56,206	307,713
	2013	40,048	39,433	159,380	60,606	299,467
Petitions Approved⁹	2011	72,389	64,206	63,705	69,353	269,653
	2012	56,044	57,355	70,946	78,224	262,569
	2013	76,720	52,859	79,813	77,381	286,773

⁹ These figures represent all approved petitions during the respective fiscal year, irrespective of whether the petition was filed in the same or in a previous fiscal year. To illustrate, in FY 2013, USCIS received 299,467 petitions and approved 286,773 petitions. Of the 286,773 petitions that were approved, 219,147 were received in FY 2013, whereas 67,626 petitions were received prior to Fiscal Year 2013.

Section 3.2 – Number of H-1B petitions filed by institutions or organizations described in section 212(p)(1) of the INA.

ACWIA added section 214(c)(9)(A) of the INA to require that the Attorney General impose a fee on an employer:

- initially filing a petition to grant an alien nonimmigrant status in the H-1B classification;
- extending the H-1B nonimmigrant stay of an alien (unless the employer previously has obtained an extension for such alien); or
- obtaining authorization for an alien in H-1B status to change employers.

The ACWIA provisions exempted certain types of employers described in section 212(p)(1) of the INA from the payment of this fee. The fee, effective December 1, 1998, was initially scheduled to sunset on September 30, 2001.

With the passage of Public Law 106-311, the fee was increased from \$500 to \$1,000, effective December 18, 2000, with a sunset on September 30, 2003. Public Law 106-311 also amended section 214(c)(9)(A) of the INA by specifying certain employers that are exempt from the ACWIA fee beyond those employers described under section 212(p)(1) of the INA. The *H-1B Visa Reform Act of 2004*, enacted as part of the *Omnibus Appropriation Act of FY 2005*, reinstated the ACWIA fee, made the fee permanent, and raised it from \$1,000 to \$1,500 per qualifying petition filed with USCIS after December 8, 2004; however, employers who have no more than 25 full-time equivalent employees who are employed in the United States (including the number of employees employed by any affiliate or subsidiary of such employer) must pay a \$750 ACWIA fee. The H-1B Visa Reform Act of 2004 again exempted employers described in section 214(c)(9)(A) of the INA from the ACWIA fee. Section 214(c)(9)(A) exempts payment of the ACWIA fee in certain instances, as summarized below.

Due to the passage of Public Law 106-311, this report exceeds the original reporting mandate: it covers all employers exempt from the fee as described in section 214(c)(9)(A), not only those described in section 212(p). Specifically, these exemptions apply to employers that are:

- Institutions of higher education defined in section 101(a) of the *Higher Education Act of 1965*, 20 U.S.C. § 1001(a);
- Nonprofit organizations related to or affiliated with an institution of higher education as defined in section 101(a) of the *Higher Education Act of 1965*, 20 U.S.C. § 1001(a);
- Nonprofit entities engaging in established curriculum-related clinical training of students registered at any institution defined in section 101(a) of the *Higher Education Act of 1965*, 20 U.S.C. § 1001(a);
- Nonprofit research organizations and Government research organizations;
- Primary or secondary education institutions;
- Filing a second or subsequent request for an extension of stay for a particular alien;
- Filing an amended petition without a request to extend the nonimmigrant stay of the alien beneficiary; or
- Filing a petition solely to correct a USCIS error.

Table 2 shows the number of petitions that were filed in FY 2013 that required submission of the ACWIA fee as well as those petitions exempt from that fee. Table 3 shows the same information for all petitions approved during the same period regardless of when filed.

**Table 2. Number of H-1B Petitions Filed by Quarter
and Reason for ACWIA Fee or Exemption from Fee: FY 2013**

For Fiscal Year 2013	Oct 2012 to Dec 2012	Jan 2013 to Mar 2013	Apr 2013 to Jun 2013	Jul 2013 to Sep 2013	FY 2013
TOTAL PETITIONS FILED	40,048	39,433	159,380	60,606	299,467
Without any fee exemptions	23,793	22,570	133,818	39,058	219,239
With at least one exemption	16,255	16,863	25,562	21,548	80, 228
SIZE OF EMPLOYERS SUBJECT TO ADDITIONAL FEE					
Employer of no more than 25 full-time equivalent employees	3,225	2,782	22,662	5,059	33,728
Employer of 26 or more full-time equivalent employees	20,566	19,788	111,154	33,996	185,504
Number of full-time equivalent employees unknown ¹⁰	2	0	2	3	7
REASONS FOR EXEMPTION					
Employer is an institution of higher education	3,925	4,135	6,960	5,113	20,133
Employer is a nonprofit organization or entity related to, or affiliated with an institution of higher education	1,758	2,536	5,431	2,536	12,261
Employer is a nonprofit research organization or a government research organization	1,175	1,298	1,791	1,440	5,704
Employer is filing a second (or subsequent) extension of stay for an H-1B nonimmigrant	8,655	8,635	11,843	11,755	40,888
Employer is filing an amended petition without an extension of stay for an H-1B nonimmigrant	2,692	2,716	2,889	2,818	11,115
Employer is filing a petition in order to correct a USCIS error	14	22	21	15	72
Employer is a primary or secondary education institution	470	716	1,743	1,213	4,142
Employer is a nonprofit entity engaged in clinical training	1,609	2,255	4,387	2,166	10,417

¹⁰ Unknown values may have occurred as a result of data entry errors or improper electronic transfer from a USCIS Service Center electronic data file.

**Table 3. Number of H-1B Petitions Approved
by Quarter and Reason of Exemption from ACWIA Fee: FY 2013**

For Fiscal Year 2013	Oct 2012 to Dec 2012	Jan 2013 to Mar 2013	Apr 2013 to Jun 2013	Jul 2013 to Sep 2013	FY 2013
TOTAL PETITIONS APPROVED	76,720	52,859	79,813	77,381	286,773
Without any fee exemptions	52,478	31,044	65,553	58,508	207,583
With at least one exemption	24,242	21,815	14,260	18,873	79,190
SIZE OF EMPLOYERS SUBJECT TO ADDITIONAL FEE					
Employer of no more than 25 full-time equivalent employees	8,425	4,561	9,217	8,546	30,749
Employer of 26 or more full-time equivalent employees	44,046	26,481	56,335	49,961	176,823
Number of full-time equivalent employees unknown ¹¹	7	2	1	1	11
REASONS FOR EXEMPTION					
Employer is an institution of higher education	5,539	5,067	4,216	6,200	21,022
Employer is a nonprofit organization or entity related to, or affiliated with an institution of higher education	3,241	2,969	3,174	3,788	13,172
Employer is a nonprofit research organization or a government research organization	1,504	1,538	1,171	1,583	5,796
Employer is filing a second (or subsequent) extension of stay for an H-1B nonimmigrant	13,460	11,753	5,963	8,532	39,708
Employer is filing an amended petition without an extension of stay for an H-1B nonimmigrant	3,151	3,583	1,521	1,708	9,963
Employer is filing a petition in order to correct a USCIS error	26	26	10	16	78
Employer is a primary or secondary education institution	1,382	989	836	1,071	4,278
Employer is a nonprofit entity engaged in clinical training	2,854	2,526	2,717	3,149	11,246

¹¹ Unknown values may have occurred as a result of data entry errors or improper electronic transfer from a USCIS Service Center electronic data file.

Section 3.3 – Fraud Prevention and Detection Fee pursuant to the H-1B Visa Reform Act of 2004.

The H-1B Visa Reform Act of 2004 imposed an additional fee of \$500 (“Fraud Prevention and Detection Fee” or “Fraud Fee”) for certain H-1B or L petitions. A U.S. employer seeking initial approval of H-1B or L nonimmigrant status for a beneficiary, or seeking approval to employ an H-1B or L nonimmigrant currently working for another U.S. employer, must submit this additional \$500 fee.

Table 4 shows the number of H-1B petitions filed in FY 2013 that required submission of the Fraud Prevention and Detection Fee. Table 5 shows the same information for all petitions approved during the same period regardless of when filed.

Table 4. Number of H-1B Petitions Filed Requiring Fraud Prevention and Detection Fee: FY 2013

For Fiscal Year 2013	Oct 2012 to Dec 2012	Jan 2013 to Mar 2013	Apr 2013 to Jun 2013	Jul 2013 to Sep 2013	FY 2013
TOTAL PETITIONS FILED WITH FEE	16,206	16,584	122,736	20,894	176,420
REASONS FOR FRAUD FEE					
New employment (including new employer filing H-1B extension)	5,899	6,147	109,029	8,168	129,243
New concurrent employment	219	161	240	255	875
Change of employer	10,088	10,276	13,467	12,471	46,302

**Table 5. Number of H-1B Petitions Approved Requiring
Fraud Prevention and Detection Fee: FY 2013**

For Fiscal Year 2013:	Oct 2012 to Dec 2012	Jan 2013 to Mar 2013	Apr 2013 to Jun 2013	Jul 2013 to Sep 2013	FY 2013
TOTAL PETITIONS APPROVED WITH FEE	36,473	21,655	62,941	50,811	171,880
REASONS FOR FRAUD FEE					
New employment (including new employer filing H-1B extension)	24,663	10,338	52,845	39,731	127,577
New concurrent employment	285	287	135	196	903
Change of employer	11,525	11,030	9,961	10,884	43,400