



U.S. Citizenship
and Immigration
Services

(b)(6)

DATE: **JAN 31 2014**

OFFICE: CALIFORNIA SERVICE CENTER F [REDACTED]

IN RE:

Petitioner:

Beneficiary:

PETITION: Petition for a Nonimmigrant Worker Pursuant to Section 101(a)(15)(H)(i)(b) of the Immigration and Nationality Act, 8 U.S.C. § 1101(a)(15)(H)(i)(b)

ON BEHALF OF PETITIONER:

INSTRUCTIONS:

Enclosed please find the decision of the Administrative Appeals Office (AAO) in your case.

This is a non-precedent decision. The AAO does not announce new constructions of law nor establish agency policy through non-precedent decisions. If you believe the AAO incorrectly applied current law or policy to your case or if you seek to present new facts for consideration, you may file a motion to reconsider or a motion to reopen, respectively. Any motion must be filed on a Notice of Appeal or Motion (Form I-290B) within 33 days of the date of this decision. **Please review the Form I-290B instructions at <http://www.uscis.gov/forms> for the latest information on fee, filing location, and other requirements. See also 8 C.F.R. § 103.5. Do not file a motion directly with the AAO.**

Thank you,

Ron Rosenberg

Chief, Administrative Appeals Office

DISCUSSION: The director of the California Service Center denied the nonimmigrant visa petition and the matter is now before the Administrative Appeals Office (AAO) on appeal. The director's decision will be withdrawn and the case will be remanded for further consideration and action.

The petitioner is a public charter school with approximately 47 employees and 450 students in grades 9 to 12. The petitioner seeks to classify the beneficiary as a nonimmigrant worker in a specialty occupation pursuant to section 101(a)(15)(H)(i)(b) of the Immigration and Nationality Act (the Act), 8 U.S.C. § 1101(a)(15)(H)(i)(b).

The record of proceeding before the AAO contains: (1) Form I-129 and supporting documentation; (2) the director's requests for additional evidence (RFEs); (3) the petitioner's responses to the RFEs; (4) the director's denial letter; and (5) Form I-290B with counsel's brief and supporting materials. The AAO reviewed the record in its entirety before reaching its decision.

Based upon its review of the entire record of proceeding, including the submissions on appeal addressing the basis of the director's decision, the AAO finds that the petitioner has overcome the basis of the director's denial. As the totality of the evidence presented in this particular record of proceeding establishes the specialty occupation nature of the particular position for which this petition was filed, and the beneficiary's qualification to serve in that specialty occupation, the basis for the director's decision will be withdrawn.

However, the petition cannot be approved because the petitioner has failed to establish that the beneficiary qualifies for an exemption from the Fiscal Year 2012 (FY12) H-1B cap pursuant to section 214(g)(5)(A) of the Act, 8 U.S.C. § 1184(g)(5)(A).

In general, H-1B visas are numerically capped by statute. Pursuant to section 214(g)(1)(A) of the Act, 8 U.S.C. § 1184(g)(1)(A), the total number of H-1B visas issued per fiscal year may not exceed 65,000. On November 23, 2011, U.S. Citizenship and Immigration Services (USCIS) issued a notice that it had received sufficient numbers of H-1B petitions to reach the H-1B cap for FY12, which covers employment dates starting on October 1, 2011 through September 30, 2012. The notice states that "USCIS will reject cap-subject petitions for new H-1B specialty occupation workers seeking an employment start date in [FY12] that arrive after November 22, 2011."

The petitioner filed the Form I-129 on June 29, 2012 and requested a starting employment date of July 1, 2012. Pursuant to 8 C.F.R. § 214.2(h)(8)(ii)(B), any non-cap exempt petition filed on or after November 22, 2011 and requesting a start date during FY12 must be rejected. However, because the petitioner indicated on the Form I-129 supplement that it is a nonprofit organization or entity related to or affiliated with an institution of higher education, thereby exempting the beneficiary from the FY12 H-1B cap pursuant to section 214(g)(5) of the Act, the petition was not rejected when it was initially received by the service center.

Upon review, the petitioner has failed to submit sufficient evidence to establish that the beneficiary qualifies for exemption to the numerical cap on H-1B nonimmigrants based on the petitioner's relation to or affiliation with an institution of higher education.

I. Law

Section 214(g)(5)(A) of the Act, as modified by the American Competitiveness in the Twenty-first Century Act (AC21), Pub. L. No. 106-313, § 103, 114 Stat. 1251, 1252 (October 17, 2000), states, in relevant part, that the H-1B cap shall not apply to any nonimmigrant alien issued a visa or otherwise provided status under section 101(a)(15)(H)(i)(b) of the Act who "is employed (or has received an offer of employment) at an institution of higher education (as defined in section 101(a) of the Higher Education Act of 1965 (20 U.S.C. 1001(a))), or a related or affiliated nonprofit entity"

For purposes of H-1B cap exemption for an institution of higher education, or a related or affiliated nonprofit entity, the H-1B regulations adopt the definition of institution of higher education set forth in section 101(a) of the Higher Education Act of 1965. Section 101(a) of the Higher Education Act of 1965, (Pub. Law 89-329), 20 U.S.C. § 1001(a), defines an institution of higher education as an educational institution in any state that:

- (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate;
- (2) is legally authorized within such State to provide a program of education beyond secondary education;
- (3) provides an educational program for which the institution awards a bachelor's degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree;
- (4) is a public or other nonprofit institution; and
- (5) is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted preaccreditation status by such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.

With regard to institutions of higher education, the legislative history that accompanies AC21 provides in relevant part the following:

This section exempts from the numerical limitation (1) individuals who are employed or receive offers of employment from an institution of higher education, affiliated entity, nonprofit research organization or governmental research organization and (2) individuals who have a petition filed between 90 and 180 days after receiving a master's degree or higher from a U.S. institution of higher education. The principal reason for the first exemption is that by virtue of what they are doing, people working in universities are necessarily immediately contributing to educating Americans. The more highly qualified educators in specialty occupations we have in this country, the more Americans we will have ready to take positions in these fields upon completion of their education. Additionally, U.S. universities are on a different hiring cycle from other employers. The H-1B cap has hit them hard because they often do not hire until numbers have been used up; and because of the academic calendar, they cannot wait until October 1, the new fiscal year, to start a class.

Sen. Rep. No. 106-260 at 21-22 (April 11, 2000). While the rationale for granting an exemption to the H-1B cap for institutions of higher education might appear at first glance to support granting a similar exemption to primary and secondary schools, nothing in the statutory language or legislative history of AC21 indicates that it was the intent of Congress to do so through this legislation. The H-1B cap exemption provisions of AC21 make no reference to primary or secondary schools, and the legislative history of AC21 does not indicate any congressional intent that such schools be included within the definition of institutions of higher education.¹

Moreover, the AAO observes that Congress, in exempting certain entities from the H-1B fee it imposed in the American Competitiveness and Workforce Improvement Act (ACWIA),² specifically listed institutions of "primary or secondary education" as exempt from the fee in addition to institutions of higher education. As stated by the Supreme Court in *Bates v. United States*, "[W]here Congress includes particular language in one section of a statute but omits it in another section of the same Act, it is generally presumed that Congress acts intentionally and purposely in the disparate inclusion or exclusion." 522 U.S. 23, 29-30, 118 S.Ct. 285, 290, 139 L.Ed.2d 215 (1997) (quoting *Russello v. United States*, 464 U.S. 16, 23, 104 S.Ct. 296, 300, 78 L.Ed.2d 17 (1983), quoting *United States v. Wong Kim Bo*, 472 F.2d 720, 722 (C.A.5 1972)). As such, based

¹ See generally 146 Cong. Rec. S9643-05 (October 3, 2000) (Statements of Senators Harry Reid, John McCain, Spencer Abraham, Sam Brownback, Kent Conrad, Patrick Leahy and Orrin Hatch); 146 Cong. Rec. S9449-01 (September 28, 2000) (Statements of Senator Hatch, Abraham and Edward Kennedy); 146 Cong. Rec. S7822-01 (July 27, 2000) (Statement of Senator John Warner); 146 Cong. Rec. S538-05 (February 9, 2000) (Statements of Senators Hatch, Abraham and Phil Gramm).

² Enacted as title IV of the Omnibus Consolidated and Emergency Supplemental Appropriations Act for Fiscal Year 1999, Pub. L. No. 105-277, 112 Stat. 2681, 2681-641.

on Congress's inclusion of primary and secondary education institutions in section 214(c)(9) of the Act and its omission from section 214(g)(5) of the same act, it should be presumed that Congress intentionally and purposely acted to exclude primary and secondary education institutions from the exemption to the numerical limitations contained in section 214(g)(1)(A) of the Act.

II. Analysis

The AAO finds that neither the statutory language nor the legislative history demonstrates that Congress intended to exempt all public or nonprofit organizations that provide educational benefits to the United States. Rather, the "[c]ongressional intent was to exempt from the H-1B cap certain alien workers who could provide direct contributions to the United States through their work on behalf of institutions of higher education and related nonprofit entities" Memo from Michael Aytes, Assoc. Dir. for Domestic Operations, U.S. Citizenship and Immigration Services, U.S. Dept. Homeland Sec., to Reg. Dirs. & Serv. Ctr. Dirs., *Guidance Regarding Eligibility for Exemption from the H-1B Cap Based on §103 of the American Competitiveness in the Twenty-First Century Act of 2000 (AC21) (Public Law 106-313)* at 3 (June 6, 2006) (hereinafter referred to as "Aytes Memo").

In this matter, the petitioner asserts that it is H-1B cap exempt under section 214(g)(5)(A) of the Act due to its relation to or affiliation with an institution of higher education. More specifically, the petitioner claims that the letters written by the petitioner and [REDACTED], as well as the Affiliation Agreement between [REDACTED] and the petitioner are evidence of an affiliation that makes the petitioner an exempt employer.

A. "Exempt Employers"

If the petitioner is an exempt employer, i.e., an institution of higher education or a related or affiliated nonprofit entity, there is no legal requirement that the beneficiary participate in a particular program. In other words, absent the issuance of regulations to the contrary, the on-site employment by an institution of higher education or a related or affiliated nonprofit entity is sufficient in itself to meet the plain statutory requirements of section 214(g)(5)(A) of the Act.

According to USCIS policy, the definition of related or affiliated nonprofit entity that should be applied in this instance is found at 8 C.F.R. § 214.2(h)(19)(iii)(B). *See* Aytes Memo at 4 ("[T]he H-1B regulations define what is an affiliated nonprofit entity for purposes of the H-1B fee exemption. Adjudicators should apply the same definitions to determine whether an entity qualifies as an affiliated nonprofit entities [*sic*] for purposes of exemption from the H-1B cap").

Title 8 C.F.R. § 214.2(h)(19)(iii)(B), which was promulgated in connection with the enactment of ACWIA, defines what is a related or affiliated nonprofit entity specifically for purposes of the H-1B fee exemption provisions:

An affiliated or related nonprofit entity. A nonprofit entity (including but not limited to hospitals and medical or research institutions) that is connected or associated with an institution of higher education, through shared ownership or control by the same board or federation operated by an institution of higher education, or attached to an institution of higher education as a member, branch, cooperative, or subsidiary.

The AAO, as a component of USCIS, generally follows official statements of policy issued by the agency, provided they are not in conflict with a higher legal authority. *See* USCIS Adj. Field Manual 3.4(b) (2010). By including the phrase "related or affiliated nonprofit entity" in the language of AC21 without providing further definition or explanation, Congress likely intended for this phrase to be interpreted consistently with the only relevant definition of the phrase that existed in the law at the time of the enactment of AC21: the definition found at 8 C.F.R. § 214.2(h)(19)(iii)(B). As such, the AAO finds that USCIS reasonably interpreted AC21 to apply the definition of the phrase found at 8 C.F.R. § 214.2(h)(19)(iii)(B), and it will defer to the Aytes Memo in making its determination on this issue.

The petitioner must, therefore, establish that it satisfies the definition at 8 C.F.R. § 214.2(h)(19)(iii)(B) as a related or affiliated nonprofit entity of an institution of higher education under section 214(g)(5)(A) of the Act in order for the beneficiary to be exempt from the FY10 H-1B cap. Reducing the provision to its essential elements, the AAO finds that 8 C.F.R. § 214(h)(19)(iii)(B) allows a petitioner to demonstrate that it is an affiliated or related nonprofit entity if it establishes one or more of the following:

- (1) The petitioner is associated with an institution of higher education through shared ownership or control by the same board or federation;
- (2) The petitioner is operated by an institution of higher education; or
- (3) The petitioner is attached to an institution of higher education as a member, branch, cooperative, or subsidiary.³

As indicated above, the petitioner submitted documentation in support of its claim that it is affiliated with an institution of higher education. However, the petitioner did not submit documentation regarding the board or federation that controls/owns [REDACTED]. The affiliation agreement states that the petitioner "[i]s a public school which is funded by public sources and

³ This reading is consistent with the Department of Labor's regulation at 20 C.F.R. § 656.40(e)(ii), which is identical to 8 C.F.R. § 214.2(h)(19)(iii)(B) except for an additional comma between the words "federation" and "operated". The Department of Labor explained in the supplementary information to its ACWIA regulations that it consulted with the former INS on the issue, supporting the conclusion that the definitions were intended to be identical. *See* 65 Fed. Reg. 80110, 80181 (Dec. 20, 2000).

operated independently by a board of trustees under a charter granted by the Board of Education of the State of Ohio"

The affiliation agreement states that [REDACTED] College of Science will:

- Make faculty available to provide science fair guidance.
- Provide student and faculty mentors.
- Provide a guest speaker exchange on science and professional career advice.
- Support [the petitioner's] participation in the [REDACTED] Health Careers Opportunity Program (HCOP).
- Work mutually for transition of students into college.
- Invite [the petitioner's] teachers and students to appropriate College of Science events (such as invited lectures, research day and symposia).
- Provide information about [REDACTED] programs including the Honors Program.

According to the agreement, the petitioner will:

- Select students for participation in research, mentoring and shadowing activities.
- Provide for supervision of students while at [REDACTED] and assure that students adhere to [REDACTED] policies and guidelines.
- Assume responsibility for any injury, damage or loss sustained by the [petitioner's] students, or their supervisors while at [REDACTED]
- Assume responsibility for any injury, damage or loss to third parties, including [REDACTED] caused by or contributed by the petitioner's students while at [REDACTED]
- Provide [REDACTED] with an Insurance Certificate evidencing Commercial General Liability Insurance for bodily injury and property damage in limits of not less than one million dollars per occurrence and showing [REDACTED] as an additional insured.
- Maintain all records, reports and evaluations of the students' experience at [REDACTED]

The petitioner also wrote a letter discussing the affiliation agreement and the cooperation between the petitioner and [REDACTED]

Turning to the definition of an "affiliated or related nonprofit entity," the AAO must first consider whether the petitioner has established that it is a related or affiliated nonprofit entity pursuant to the first prong of 8 C.F.R. § 214.2(h)(19)(iii)(B): shared ownership or control by the same board or federation.

The AAO notes that it cannot be found that the petitioner meets the definition of related or affiliated nonprofit entity simply because both the petitioner and CSU are both public educational entities in

Ohio. Accepting this argument concerning some type of shared ownership or control would allow virtually any state government agency in Ohio, or in any other state for that matter, to claim exemption from the H-1B cap regardless of whether the agency had any connection whatsoever to higher education, a result that would be inconsistent with the intent of AC21. This overly expansive interpretation would undermine the clear Congressional intent to grant an exemption for institutions of higher education. *See generally* 146 Cong. Rec. S9643-05, *supra* fn 2 and related text. The AAO, therefore, interprets the terms "board" and "federation" as referring specifically to educational bodies such as a board of education or a board of regents. Upon review, the record does not establish that the petitioner and CSU are owned or controlled by the same board or federation.

Moreover, the record does not establish that public institutions of higher education and public charter schools are owned or controlled by the same boards or federations in the State of Ohio. Thus, there is no evidence to establish that the two educational entities are associated through control by the same board or federation. Consequently, the AAO finds that the petitioner has not met the first prong of 8 C.F.R. § 214.2(h)(19)(iii)(B).

Second, the AAO must consider whether the petitioner has established that it is a related or affiliated nonprofit entity pursuant to the second prong of 8 C.F.R. § 214.2(h)(19)(iii)(B): operation by an institution of higher education. The evidence in the record does not show that an institution of higher education operates the petitioner, a non-profit public charter school, within the common meaning of this term. As depicted in the record, the relationship that exists between the petitioner and the institution of higher education is one between two separately controlled and operated entities. It cannot be inferred from associations of such a limited scope that the petitioner is being operated by the institution of higher education named herein. Accordingly, the AAO finds that the petitioner has not met the second prong of 8 C.F.R. § 214.2(h)(19)(iii)(B).

Third and finally, the AAO considers whether the petitioner has established that it is a related or affiliated nonprofit entity pursuant to the third prong of 8 C.F.R. § 214.2(h)(19)(iii)(B): attached to an institution of higher education as a member, branch, cooperative, or subsidiary. In the supplementary information to the interim regulation now found at 8 C.F.R. § 214.2(h)(19)(iii)(B), the former INS stated that it drafted the regulation "drawing on generally accepted definitions" of the terms. 63 Fed. Reg. 65657, 65658 (Nov. 30, 1998). It is evident from the foregoing discussion of the evidence that the petitioner, a public charter school, is not attached to an institution of higher education in a manner consistent with these terms. There is no indication whatsoever from the evidence submitted that the petitioner is a member, branch, cooperative, or subsidiary of [REDACTED]. All four of these terms indicate at a bare minimum some type of shared ownership and/or control, which has not been presented in this matter. *See generally Black's Law Dictionary* at 182, 336, 1442 (7th Ed. 1999) (defining the terms branch, cooperative, and subsidiary); *see also Webster's New College Dictionary* at 699 (3rd Ed. 2008) (defining the term member).

Based on the evidence of record as currently constituted, the AAO cannot find that the petitioner should be included in the statutory definition of an institution of higher education or a related or

affiliated nonprofit entity based on its relationship with [REDACTED]. Therefore, the beneficiary does not qualify for an exemption from the H-1B cap under section 214(g)(5)(A) of the Act.

The AAO notes counsel's reliance on an April 28, 2011 USCIS policy memorandum which provides interim guidance on H-1B cap exemptions for non-profit entities "related to or affiliated with" an institution of higher education. See PM-602-0037: Additional Guidance to the Field on Giving Deference to Prior Determinations of H-1B Cap Exemption Based on Affiliation (April 28, 2011). The memo establishes that until further notice, USCIS will defer to prior determinations of cap exemptions made on or after June 6, 2006, provided that petitioners can document that they were previously determined to be cap exempt. The interim procedure is meant to promote consistency in adjudications while USCIS reviews its policy on H-1B cap exemptions.

The record contains an attestation dated June 12, 2012 by [REDACTED] superintendent of the petitioner's school, which claims that three prior petitions filed by the petitioner were approved by USCIS with a determination of cap exemption based on affiliation since June 6, 2006. In its letter of support dated June 11, 2012, the petitioner claims that, based on these prior approvals, USCIS must defer to these prior determinations since there have been no changes in the affiliation status of the petitioner since the prior determinations. The AAO disagrees.

The petitioner submits the names of three beneficiaries and the corresponding receipt numbers of their petitions. The petitioner submits no supporting documentation, such as copies of the previously-approved Form I-129 petitions with relevant pages and pertinent supplements, copies of the Form I-797 approval notices, or copies of the documentation previously submitted with those petitions in support of the claimed cap exemption. Simply asserting that the petitioner was previously determined to be cap exempt, without providing documentation to support the claim, will not suffice. Going on record without supporting documentary evidence is not sufficient for purposes of meeting the burden of proof in these proceedings. *Matter of Soffici*, 22 I&N Dec. 158, 165 (Comm'r 1998) (citing *Matter of Treasure Craft of California*, 14 I&N Dec. 190 (Reg. Comm'r 1972)). A prior approval does not compel the approval of a subsequent petition or relieve the petitioner of its burden to provide sufficient documentation to establish current eligibility for the benefit sought. 55 Fed. Reg. 2606, 2612 (Jan. 26, 1990).⁴

⁴ Generally, USCIS is not required to approve applications or petitions where eligibility has not been demonstrated, merely because of prior approvals that may have been erroneous. Despite the deference afforded under the April 28, 2011 policy memorandum, there is no requirement that such deference be perpetuated when evidence of clear error, as seen here, is demonstrated. If the previous nonimmigrant petitions were approved by USCIS with a determination of cap exemption based on the same deficient evidence contained in the current record, it would constitute material and gross error on the part of the director. USCIS is not required to approve applications or petitions where eligibility has not been demonstrated, merely because of prior approvals that may have been erroneous. See, e.g. *Matter of Church Scientology International*, 19 I&N Dec. 593, 597 (Comm. 1988). It would be absurd to suggest that USCIS or any agency must treat acknowledged errors as binding precedent. *Sussex Engg. Ltd. v. Montgomery*, 825 F.2d 1084, 1090 (6th Cir. 1987), cert. denied, 485 U.S. 1008 (1988).

III. Conclusion

For the reasons set forth above, the petitioner has not established that the beneficiary qualifies for exemption to the numerical cap on H-1B nonimmigrants based on the petitioner's relation to or affiliation with an institution of higher education. The USCIS policy memorandum relied upon by counsel does not mandate deference to prior cap exempt determinations when those prior determinations were clearly erroneous, as the AAO has determined is the case here. Rather, it requires further discussion and supervisory review as outlined in detail under the "Policy" heading. The director's decision will be withdrawn and the matter will be remanded so that the director can determine whether the beneficiary is exempt from the FY12 H-1B cap by virtue of the petitioner's claimed relation to or affiliation with an institution of higher education. The director may request additional evidence as is deemed necessary, and should act in accordance with the policy guidance set forth in the April 28, 2011 memorandum.

ORDER: The basis for the director's decision is withdrawn. The matter is remanded to the director for further action consistent with the above and entry of a new decision.