MEMORANDUM

TO: IEEE-USA OpCom

FROM: Chris Brantley
            Director, Government Relations & Operations

SUBJECT: Funding of the Immigration Reform Lobbying Initiative

At its November meeting, the IEEE-USA Board of Directors approved a proposed
Immigration Reform Lobbying Initiative (see attached), which calls for commitment of
staff support (1/2FTE lobbyist (Vin O'Neill) and 1/2FTE PR staff) for six months, and
$150K in direct expenses for a series of lobbying activities including a press conference
and two studies. The Board did not decide how to allocate these expenses against the
2000 budget (against which accounts), but left that task for the 2000 Board to consider
when it endorsed the 2000 budget.

Based on the Board's approval and to minimize the impact on the 2000 budget, we have
initiated the two studies and have incurred a total of $32.5K in earnest payments charged
against the 1999 budget.   Since the time of our lobbying staffer Vin O'Neill is also
already addressed in the 2000 budget, that reduces the unallocated funding requirements
of this Initiative to ½ FTE PR staff support and $127.5K in direct expenses (of which
$37.5K is committed by contract).

As part of the discussion at the OpCom Organizing Meeting on Sunday, January 16, you
may wish to consider whether to recommend for Board approval in February how these
expenses should be allocated against the 2000 budget so as not to affect the bottom line
(which was approved by the IEEE Board of Directors in November).

Some, but not all, of this expense could be charged to our Legislative Initiative Fund,
which is budgeted at $59.8K in 2000, but of which approximately $12K should be
reserved for printing/distribution of our Legislative Agenda and Legislative Directories
for the 107th Congress.

Please let me know if you have any questions regarding this Initiative not covered in the
attached proposal.

Enc.

Nov. 1, 1999

MEMORANDUM

TO: IEEE-USA Board of Directors

FROM: Paul Kostek, President

SUBJECT: Immigration Reform Initiative

Last year, as IEEE-USA grappled with the issue if temporary guestworkers and the H-1B visa program, we adopted a legislative agenda that included a call for improvements in the immigration system. At the time, we hoped to broaden the arguments we were making about guestworkers, the availability of U.S. workers, and the impact of a guestworker strategy on older workers by pointing out that a large number of permanent immigration visas (i.e. green cards) go unused each year.

There are several rationales for this position. First, the fact that large numbers of green cards go unused each year can be used to belie claims that there is a real shortage of qualified high-tech workers. Second, foreign-born engineers with green cards are U.S. engineers, not guestworkers, and can compete for salaries and jobs like U.S. engineers, unlike guestworkers who are "indentured" to their sponsor and who can't effectively compete for promotions or competitive pay. Third, it is politically essential that we take a broader view that embraces green cards to avoid being labeled "anti-immigrant" or "racist" because of our opposition to guestworkers.

To date, we have emphasized our opposition to H-1B visa and down-played our support for broader-based immigration reform. Despite our best efforts, Congress has seen fit to raise the H-1B visa quotas once and is poised to do so again early next year unless we can find a way to shift the debate.   A summary of legislative action is provided below for reference (see Appendix 1).   Our basic argument—that there is no shortage and that the supply of workers available with retraining is deeper and broader than currently understood, is not working because we are being cast as "anti-immigrant" and our position described in the trade media as "thinly veiled racism" (in the absence of compelling data supporting our position that there is no real shortage).

For that reason, we have taken tentative steps toward forming an Immigration Reform Coalition that would lobby the message "Green Cards, Not Guest Workers."   The essence of the message is that instead of increasing H-1B visa quotas, the labor certification procedures should be streamlined to fully utilize the currently unused annual supply of permanent immigration visas (i.e. green cards). The American Engineering Association and the Coalition for Fair Employment in Silicon Valley have already tentatively signed on. We are also exploring the interests of other organizations including the American Association of Engineering Societies, the American Legion, Catholic

Conference, Immigration Support Network (an H-1B organization), and a several labor groups including the AFL-CIO. In order to attract some of these organizations to support our anti-guestworker message, we will be asked to support other immigration reforms such as giving visa priority to family-reunification. Only by broadening our agenda can we hope to attract the organizational support needed to build a politically effective coalition.

You can see the basic unifying principles and action agenda for the proposed Immigration Reform Coalition on-line at our beta web site at http://www.immigrationreform.com. This website and the coalition would be formally unveiled at a press conference later this year, if the Board acts affirmatively to support this proposal.

As leader of this Coalition, IEEE-USA will be required to invest significant volunteer, staff, and budgetary resources in an aggressive lobbying campaign. In order to do the job right and ensure a reasonable prospect that we may achieve our legislative goals in 2000 and beyond, it is essential that the IEEE-USA Board commit itself to this priority. If there is any reservation about this approach or our willingness to commit the time and resources required, then it would be better that IEEE-USA focus on other legislative goals. In that vein, and to ensure that Merrill Buckley has a mandate to continue this effort in 2000, I would request Board approval of the following:

PROPOSED: **The IEEE-USA Board of Directors is asked to make Immigration Reform a primary legislative priority, approve our coalition approach based on a "Green Cards – Not Guest Workers" message, and authorize the allocation of staff and budget resources as outlined in our Immigration Reform Lobbying Plan (Appendix 2).**

APPENDIX 1 – REVIEW OF 1999 H-1B VISA DEVELOPMENTS

In 1998, in response to renewed claims that employers faced serious shortages of information technology workers, Congress passed and the President signed legislation making additional changes in laws governing the temporary admission of foreign professionals on H-1B visas. The American Competitiveness and Workforce Improvement Act authorizes a three year increase in annual H-1B admissions from 65,000 to 115,000 in FY 1999 and FY 2000 and to 107,500 in FY 2001. It establishes a new $500 per application fee for businesses to help fund scholarships for low-income students and retraining for displaced workers. And it imposes new recruitment and retention requirements intended to ensure that certain employers will try to recruit U.S. workers and will not lay off similarly skilled Americans before hiring H-1B workers. IEEE-USA opposed enactment of this legislation based on our belief that industry claims of widespread shortages of IT workers were seriously overstated and our conviction the

new worker safeguards should apply to all employers who intend to hire H-1B workers, not just to small group of so-called "H-1B dependent" businesses.

In early 1999, employers in business and at educational institutions renewed their claims that the nation faces IT worker shortages of crisis proportions and began pressing Congress for yet another increase in H-1B visa ceilings.

In response to pressure from high tech employers in their home states - and not so subtle promises of generous financial contributions to help fund their re-election campaigns - legislators from Texas, California and Virginia have already introduced legislation to facilitate the admission of more core IT workers (computer engineers and scientists, systems analysts and programmers) to work temporarily in the United States.

In February, IEEE-USA filed comments on proposed Labor Department administrative regulations that will govern the H-1B visa program as amended by Congress in 1998. IEEE-USA's comments and recommendations focused on: the identification of H-1B dependent employers; enforcement of the new recruitment and retention requirements; worker notification provisions and the critical importance of the Department's new investigative authority.

The House Judiciary Subcommittee on Immigration and Claims held hearings on the benefits to the American economy of a more educated workforce on March 25th. Economists and industry witnesses warned that there will be a dearth of high-skilled workers and a glut of unskilled workers unless Congress alters U.S. immigration policy to allow the admission of more well-educated immigrants.

In April, IEEE-USA and other stakeholders were briefed on a Labor Department proposal to streamline the processing of visa applications and centralize administration and enforcement of the H-1B program. The proposed reorganization incorporates reforms recommended by the Department's Inspector General and by the U.S. Commission on Immigration Reform, many of which IEEE-USA has been advocating since 1995.

On May 5, Congressman Lamar Smith (R-TX) held hearings on fraud in temporary student and employment-based admissions programs before the House Judiciary Subcommittee on Immigration and Claims. Witnesses for the Department of State and the Immigration and Naturalization Service presented evidence of widespread fraud in the H-1B (specialty occupation) and L (intra-company transfer) programs and admitted that there is currently no reliable way to verify the whereabouts and status of foreign students in the United States.

On May 12, Representative Elton Gallegly (R-CA) introduced legislation (H.R. 1774) to prohibit experience gained by foreign nationals who are illegally employed in the United States from being counted as valid work experience on applications for permanent or temporary residence. Gallegly introduced similar legislation in the last Congress and has invited IEEE-USA to help promote its enactment.

The Justice Department's Special Counsel for Immigration Related Unfair Employment Practices is reportedly investigating a number of cases in which employers are petitioning the Labor Department for authorization to hire foreign workers after allegedly rejecting qualified Americans for the same positions. Such actions constitute a violation of the citizenship status discrimination provisions of the 1986 Immigration Reform and Control Act.

On July 27, Senator Phil Gramm (R-TX) introduced the New Workers for Economic Growth Act Act (S. 1440). This bill would increase the current cap on the admission of H-1B specialty occupation workers from 115,000 a year to 200,000 a year in 2000, 2001 and 2002. The Gramm proposal would also exclude foreign professionals with master's degrees who have been offered jobs paying $60,000 or more from the new admissions ceilings. Foreign professionals with bachelor's or higher degrees who have received offers of employment from educational institutions would also be excluded from the caps. Representative David Dreier (R-CA) has introduced a similar bill (H.R. 2698) in the House.

On Aug. 3, Rep. Zoe Lofgren (D-CA) introduced legislation to establish a new five year pilot program under which foreign students who receive bachelor's or higher degrees in engineering, mathematics and the sciences from U.S. colleges and universities, and who are promised employment at levels of compensation exceeding $60,000 a year, could qualify for a new T (for Technology) visa and be authorized to work in the United States for up to five years. Lofgren's "BRAIN Act" (Bringing Resources from Academia to the Industries of Our Nation Act) (H.R. 2687) would impose a $1,000 per visa filing fee on would-be employers to help pay for improvements in K-12 math and science education.

On Aug. 5, Rep. Lamar Smith's House Judiciary Subcommittee on Immigration held oversight hearings on H-1B visa issues. I was able to present testimony on behalf of IEEE-USA describing our concerns and urging Congress not to consider further increases until after the National Research Council's Information Technology Workforce Study had been completed in Oct. 2000.

On Sept. 28, Senator Charles Robb (D-VA) introduced the Helping Improved Technology Education and Competitiveness Act (HITEC Act) (S.1645), which would establish a 5-year pilot program allowing non-immigrant aliens completing an advanced degree in mathematics, science, engineering, or computer science at a U.S. college or university to apply (through an employer willing to provide a job with total compensation of $60K or more per year) for a new five year "T" or "Tech" visa. The bill was co-sponsored by democratic Senators Tim Johnson (D-SD), John Kerry (D-MA), Patrick Leahy (D-VT), Joseph Lieberman (D-CT) and Charles Schumer (D-NY). The HITEC Act requires participating companies to pay a $1000 per visa fee on applications for the T-visa and $500 for visa extensions or to change employers. The fees would be used to help fund public-private partnerships between schools and businesses to improve K-12 math, science and technology education.

Robb's bill is the latest piece of legislation introduced in response to industry lobbying to raise the H-1B visa cap on entry of high tech guest workers. A H-1B visa bill is expected shortly from Presidential-hopeful Senator John McCain (R-AZ). Senate Republican leaders have indicated that they are unlikely to move forward H-1B visa increases this year, but Senator Gramm (R-TX) and others are hopeful that measures will receive early consideration in 2000.

In October, Immigration and Naturalization Service revealed that it had inadvertently issued at least 20,000 H-1B visas in excess of the 115,000 limit through FY 1999 (which ended on Sept. 31). The excess was due to INS' failure to collect data compiled in its regional centers. A debate is shaping up on how to deal with the overage. Among the proposals being discussed are revocation of visas, deducting the overage from the FY 2000 H-1B visa quota, and just ignoring the mistake.

On Oct. 21, the Senate Immigration Subcommittee held a hearing on "America's Workforce Needs in the 21st Century," at which industry representatives renewed their claims of workforce shortages and urged H-1B visa increases. One witness claimed that the latest quota of 115,000 H-1B visas released on Oct. 1 could be used up by year end. Despite our expression of interest, IEEE-USA was not provided an opportunity to testify.

APPENDIX 2 – IMMIGRATION REFORM LOBBYING PLAN

IEEE-USA would work to build a coalition of organizations with the shared agenda of "Green Cards – Not Guest Workers." The purpose of this coalition is to shift the debate away from a guestworker labor strategy to full utilization of the currently unused permanent immigration visas (i.e. green cards). This would help U.S. engineers, who would be better able to compete for jobs and salaries in the market with permanent immigrants than with H-1B visa holders who are "indentured" to their sponsoring company. It should help lift the "anti-immigrant" mantle from IEEE-USA and other organizations that also oppose H-1B visas. It could unite the lobbying efforts of a broader variety of groups to common purpose. It would also further complicate Congress' ability to pass a simple H-1B visa increase by tying the guestworker debate to broader immigration issues such as "family reunification."

Legislative Goals: To prevent further increases in the H-1B visa quota for high-tech guestworkers; to lower the quota back to the 65,000 level set in the 1990 Act when the current increases expire in 2002; and to expedite the award of permanent employment visas to qualified foreign engineers and scientists.

Volunteer Oversight: The Immigration Reform Initiative would be assigned to the Workforce Committee, which would have operational responsibility for volunteer oversight, subject to review by the IEEE-USA presidents, the Vice President of Career Activities, and the Board of Directors.

Staffing: 50% of a PR staffer (Paul Donnelly) and 50% of a policy staffer (Vin O'Neill), plus oversight by the Managing Director and manager, government activities. By

devoting this time to this issue, less time would be available to support PR of other government relations activities and PR/marketing of IEEE-USA products and services. A reduction in our efforts related to pension/IRA improvements, other engineering benefit issues, workforce issues, licensure and registration, and other issues currently handled by Vin O'Neill would also be required. In all likelihood, at least one or more Career Activities committees would need to be suspended for 2000 or reassigned to other staffers.

Budget: The preliminary estimate of direct expenses for Immigration Reform Coalition activities through 2000 is $150K. The budget breakout is as follows:

> $ 5K Coalition Recruitment/Communications
> $ 5K Green Card/Not Guest Worker Buttons
> $ 0K Web Site Support (use existing IEEE-USA infrastructure)
> $ 0K Email Campaign (use existing IEEE-USA infrastructure)
> $10K Press Conference to Unveil Coaltion (Nov.-Dec. 1999)
> $10K Volunteer Travel
> $10K Consultants (Data Analysis)
> $25K Study (Assessing the H-1B Workforce in Light of Congressional Intent)
> $80K Study (Employability of Older Engineers)
> $ 5K Miscellaneous (e.g. letterhead, postage, copying, etc.)

This funding would need to be earmarked from various sources, including the Workforce Committee's current budget, the Legislative Initiative fund, the Chairman's Legislative Activities account, and by reprogramming of other committee/program funding.

It is hoped that once a working coalition is established that some of these expenses can be shared with other coalition members. However, in order to get this initiative off the ground and ensure its success, the IEEE-USA Board must be willing to commit these resources up front without anticipation of reimbursement.

The two studies are the most expensive elements of the plan, but are also critical components of our lobbying strategy and would be released at key points to help guide the policy debate in Congress in favorable directions.

The first study would be a two month study to assess how many H-1B visa holders are currently in the workforce, what percentage of the workforce they represent, and whether this is consistent with Congress' original intent when it created the H-1B visa program. Our expectation is that this study would show that the majority of H-1B workers wish to remain in the U.S., but are unable to obtain green cards before their H-1B visas expire. Rather than returning home as required by law, many remain in the U.S. and work illegally. If the results are as expected, we will be able to make a claim that the H-1B program (and Congress by extension) is promoting illegal immigration. Our hope is that by tying the H-1B program to the issue of illegal immigration, we can gain further allies. This study would be done by Institute for the Study of International Migration at Georgetown University and would draw on existing data.

The second study would require 3-5 months and involve samplings of IEEE U.S. members 40 years or older and of engineering managers to discern attitudes toward the employability of older workers. It is anticipated that this study would show a dichotomy between employer attitudes toward the "flexibility" of older workers and the older workers' own perspectives. This would be used not only to support our traditional argument about the need to fully utilize the existing engineering resource before resorting to guest workers, but would also support our Older Worker Initiative to raise awareness of that workforce resource and how it can be better utilized. The study would be done with the cooperation of the AARP's Public Policy Institute.

In addition to directly supporting our H-1B lobbying effort, both studies would provide valuable input to the current National Research Council Information Technology Workforce Study mandated by Congress.