

Indian IT firms rejoice as US 'discriminatory' law lapses

The Congress can still bring legislation to reinstall the fee

Washington: In a breather for Indian IT firms, the "discriminatory" \$2,000 H-1B fee mostly imposed on them has now lapsed in a Republican-majority US Congress.

The charges, often called outsourcing fee, had forced Indian IT companies in the last few years to pay millions of dollars towards protecting the US-Mexican border from illegal immigration.

Indian firms had described the fee on highly-qualified IT professionals coming to the US on H-1B visa as "discriminatory."

The legislation with regard to a \$2,000 fee on H-1B visas for companies having more than 50% of its employees overseas was adopted by the US Congress in 2010 mainly at the instance of a group of lawmakers led by Senator Charles Schumer. Passed on August 10, the law contains provision to hike H-1B and L-1 Visa fee per application by \$2,000 and \$2,250 respectively for qualifying firm; which mainly targeted Indian IT companies.

The duration of law was



It had nothing to do with the IT industry. It was applied in an inequitable way, which specifically targeted Indian companies."

R Chandrashekhar,
president, NASSCOM

INDIA PROTECTING US BORDERS

In a report released last month, NASSCOM said Indian tech industry contributed an estimated over \$375 million during this period to the US Treasury including helping America secure its borders.

extended from four to five years under James Zadroga 9/11 Health and Compensation Act of 2010 to provide healthcare and financial compensation for the firefighters and other 'First Responders' who helped out in the aftermath of the 9/11 attack.

The Congress can still come up with a legislation to reinstall the discriminatory H-1B fee, which lapsed on Thursday, Congressional sources said. However, Institute of Electrical and Electronics Engineers (IEEE-USA) in a statement criticised the US Congress for the lapse of the H-1B fee. "Congress watched employers discriminate against Americans in hiring and firing, and then ship American jobs overseas.

Congress promised to do something about these pernicious practices -- and it did. It made them cheaper," said IEEE-USA president Jim Jefferies.

"Congress should be looking for ways to discourage outsourcing, not make it more profitable," Jefferies said. "The fee isn't enough, of course. Do the math -- the going rate for the kind of work being done at Disney and Southern California Edison was in the \$100,000 to \$120,000 annual salary range," he said.

"Congress allows H-1B outsourcers to pay as little as \$60,000 for this work. So paying \$2,000 for each H-1B to replace a middle class American worker is embarrassing," he added.

—PTI