



Jim Jeffries
President, IEEE-USA
2001 L St, NW, Suite 700
Washington, DC 20036

The Honorable Dianne Feinstein
United States Senate
Washington, DC 20510

February 11, 2015

Dear Senator Feinstein:

On behalf of the 200,000 IEEE members in the United States, including 36,700 in California, I want to make sure you saw the attached article from Computerworld. The article describes how Southern California Edison (SCE) has used the H-1b visa program to replace 500 of its American IT workers with low-cost foreign nationals. Nobody can claim Americans could not be found to do these jobs – Americans were doing these jobs. Nobody can claim that Americans lacked the skills to do these jobs – a few American workers were retained by SCE to train the new H-1b workers.

Nobody can claim this helps build America's high-tech workforce – it is almost a certainty that none of the 500 H-1B workers will ever be offered a green card.

This is the true face of the H-1b temporary visa program. There are 500 American citizens in California who will have lost their middle-class jobs by the end of March because of H-1bs. Most H-1b visas are used by outsourcing companies to replace American workers with cheap foreign workers. Tens of thousands of middle-class American jobs have already been lost, and wages for millions have been cut. Last year alone, starting salaries for graduates with bachelor's degrees in Computer Science fell 9%. Salaries in most other STEM fields have been stagnant, at best, for a decade.

On behalf of the men and women who are building our 21st century economy, IEEE-USA asks Congress not to increase the H-1b visa program by even one visa until serious and aggressive reforms are put in place to prevent the program being used to replace Americans with cheap foreign labor – as SCE has just done. We also ask Congress to expand the EB green card program for international STEM students at our nation's universities. Green cards, unlike H-1bs, make Americans. Our country needs the talents and energy of the students earning STEM graduate degrees – including those born in other countries. The way we tap those talents and energy is by making the students a permanent part of our economy and our nation. And that requires a green card. Green cards are the answer to high-skill immigration, not guest workers.

Sincerely,

A handwritten signature in cursive script that reads "Jim Jeffries".

Jim Jeffries, IEEE-USA

Southern California Edison IT workers 'beyond furious' over H-1B replacements

About 500 IT jobs are cut at utility through layoffs and voluntary departures

By Patrick Thibodeau

Computerworld | Feb 4, 2015 12:06 PM PT

Information technology workers at Southern California Edison (SCE) are being laid off and replaced by workers from India. Some employees are training their H-1B visa holding replacements, and many have already lost their jobs.

The employees are upset and say they can't understand how H-1B guest workers can be used to replace them.

The IT organization's "transition effort" is expected to result in about 400 layoffs, with "another 100 or so employees leaving voluntarily," SCE said in a statement. The "transition," which began in August, will be completed by the end of March, the company said.

"They are bringing in people with a couple of years' experience to replace us and then we have to train them," said one longtime IT worker. "It's demoralizing and in a way I kind of felt betrayed by the company."

SCE, Southern California's largest utility, has confirmed the layoffs and the hiring of Infosys, based in Bangalore, and Tata Consultancy Services (TCS) in Mumbai. They are two of the largest users of H-1B visas.

The utility has a large IT department. In 2012, before any layoffs, it had about 1,800 employees, plus an additional 1,500 contract workers.

Computerworld interviewed, separately, four affected SCE IT employees. They agreed to talk on the condition that their names not be used.

The IT employees at SCE are "beyond furious," said a second IT worker.

The H-1B program "was supposed to be for projects and jobs that American workers could not fill," this worker said. "But we're doing our job. It's not like they are bringing in these guys for new positions that nobody can fill.

"Not one of these jobs being filled by India was a job that an Edison employee wasn't already performing," he said.

SCE said the transition to Infosys and Tata "will lead to enhancements that deliver faster and more efficient tools and applications for services that customers rely on. Through outsourcing, SCE's information technology organization will adopt a proven business strategy commonly and successfully used by top U.S. companies that SCE benchmarks against."

The employees say that some of SCE's U.S. workers have been training their replacements, either in person in SCE's IT offices or over Web sessions with workers in India. The IT workers say the Indian tech workers do not have the skill levels of the people they are replacing.

The SCE outsourcing "is one more case, in a long line of them, of injustice where American workers are being replaced by H-1Bs," said Ron Hira, a public policy professor at Howard University, and a researcher on offshore outsourcing. "Adding to the injustice, American workers are being forced to do 'knowledge transfer,' an ugly euphemism for being forced to train their foreign replacements. Americans should be outraged that most of our politicians have sat idly by while outsourcing firms have hijacked the guest worker programs."

"The majority of the H-1B program is now being used to replace Americans and facilitate the offshoring of high wage jobs," Hira said.

SCE said Infosys and Tata were selected through a competitive process that began "with eight potential vendors, some of them United States-based.

"The decision made to contract with Infosys and TCS was made following vendor site visits, some in India, and in-depth reviews of prospective vendors' operations," the utility said.

SCE employees said that since August, when the layoffs began, the composition of the IT workplace began to change. "I see a lot of Indian people walking the halls, and less Americans," said a third IT worker interviewed.

Employee observations of an increasing number of foreign workers in their workplace is backed up by U.S. Labor Department filings. Employers have to file wage data of foreign workers and their workplace location with federal authorities in a form called a Labor Condition Application (LCA). In Irwindale, California, where SCE runs a major part of its IT operations, the two offshore companies had as many as 180 LCAs, and in a random check of these applications, every address matched an SCE location.

Displaced IT workers have long protested and complained about the use of H-1B workers, but they are overshadowed by large tech companies that lead H-1B lobbying efforts in Washington. IT workers are also effectively silenced through severance agreements that include non-disparagement clauses and confidentiality provisions, as well as fears that public complaining may hurt re-employment prospects.

Replacing U.S. workers with H-1B workers violates the spirit if not the letter of the law. Hira pointed out that as a part of the application process to obtain H-1B approval from the Labor Department, an employer is required to attest to the following: "Working Conditions: The employer attests that H-1B, H-1B1 or E-3 foreign workers in the named occupation will not adversely affect the working conditions of workers similarly employed." This statement is in Form 9035CP of the LCA.

Further, Hira noted that the Labor Department states, "The Immigration and Nationality Act (INA) requires that the hiring of a foreign worker will not adversely affect the wages and working conditions of U.S. workers comparably employed.

"The SCE case is clearly one where the hiring of the H-1B is adversely affecting the wages and working conditions of American workers," Hira said. "There isn't a clearer cut case of adverse impacts - the

American worker is losing his job to an H-1B." Hira believes that the U.S. Secretary of Labor has the authority to investigate these cases.

The use of H-1B workers has other implications as well. They are mostly young, under 35 years of age, according to government data, and the SCE workers interviewed said many older workers were being laid off. H-1B workers are also overwhelmingly male. The IEEE has estimated that as many as 85% are males.

Although H-1B workers have to be paid prevailing wages, a data analysis of wages that Hira conducted found that H-1B workers cost employers less. The national median wage for an Infosys worker over a recent three-year period was \$60,000 per year and for Tata it was \$64,900, he said. These are figures that are lower than what appear in salary surveys, including *Computerworld's* annual survey. H-1B workers employed by offshore outsourcing companies are less likely to become permanent residents. Infosys sponsored only 2% of its workers for permanent U.S. residency over a three-year period and Tata, none, he said.

Northeast Utilities in Connecticut last year made a similar decision to SCE's and brought in foreign contractors on visas. More than 200 U.S. IT workers lost their jobs.