

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:4281

ANSWERED ON:08.08.2014

IMPACT OF US LEGISLATION ON INDIAN IT COMPANIES

Galla Shri Jayadev

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government has noted that United States Border Security, Economic Opportunity and Immigration Modernisation Act, 2013 has impacted the Indian IT companies and their business models in US;

(b) if so, the details thereof indicating its impact on Indian IT companies;

(c) whether the Government has taken up the matter with US in this regard; and

(d) if so, the reaction of the US thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

(a) & (b) United States Border Security, Economic Opportunity and Immigration Modernisation Bill, 2013 has not yet been enacted. The Bill seeks to deny access to visas or place additional visa related restrictions including higher fees on H-1B and L-1 visas either based on 50:50 model (those applicants who employ 50 and more people and 50% of whom are non-immigrants in the H-1B and L-1 visa categories), or any other tiered approach. These restrictions, including language which negatively impacts our companies on important issues such as non-displacement and wage level classification. This is not only discriminatory but also creates an unequal playing field for Indian IT Companies. Any legislation that seeks to selectively apply visa related restriction only against Indian IT business interest in the US would not be in accord with the spirit of deepening strategic partnership between the two countries and may impact on the common efforts to strengthen economic and trade cooperation that the governments of the two countries are actively pursuing.

(c) & (d) The concerns of Indian IT companies over these new measures have been raised with the US side. India's concerns have been conveyed to the U.S. side at Ministerial levels during the recent meetings of Homeland Security Dialogue in May 2013, Strategic Dialogue in June 2013, and at the CEOs Forum in July 2013 by Home Minister, Finance Minister, Commerce & Industry Minister and External Affairs Minister. Prime Minister also raised this issue with the US President in their meeting in Washington DC on 27 September 2013 and requested that the U.S. Administration should work with the U.S. Congress to address concerns of the Indian IT industry. This issue has also been raised with US Secretary of State during his recent visit to India in July 2014.