



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 12, 2004

S. 1635

L-1 Visa (Intracompany Transferee) Reform Act of 2004

As reported by the Senate Committee on the Judiciary on October 4, 2004

CBO estimates that enacting S. 1635 would have no significant impact on the federal budget. The bill could affect direct spending, but we estimate that the amounts involved would be much less than \$500,000 a year. S. 1635 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would not affect the budgets of state, local, or tribal governments.

S. 1635 would impose a new private-sector mandate as defined in UMRA on U.S. employers who are petitioners for L-1 visas since it increases the stringency of immigration requirements. The cost of complying with that mandate would be minimal. The direct cost to U.S. employers would be the administrative cost of having to assert in the petition that they will meet the new criteria and act accordingly.

Under current law, multinational companies may temporarily transfer certain foreign employees into the United States by petitioning for a type of visa known as an L-1 visa for those persons. Those individuals must have worked for their employer for at least six months. S. 1635 would restrict the distribution of such visas to foreign employees who would be supervised principally by the petitioning employer and who have worked for that employer for at least one year.

Enacting S. 1635 could decrease the number of persons entering the United States on L-1 visas because of the restrictions that would be added by the bill. However, CBO expects that the number of persons affected would be relatively small, and the Bureau of Citizenship and Immigration Services (CIS) charges no fee for their entry. Any effects on CIS costs would be considered direct spending because such costs are covered by other fees collected by the agency.

The CBO staff contacts for this estimate are Mark Grabowicz (for federal costs), and Amina Masood (for the impact on the private sector). This estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.