



**U.S. Citizenship  
and Immigration  
Services**

**STATEMENT**

**OF**

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**U.S. CITIZENSHIP AND IMMIGRATION SERVICES (USCIS)**

**U.S. DEPARTMENT OF HOMELAND SECURITY**

**REGARDING THE FINAL RULE**

**TO**

**ADJUST THE IMMIGRATION BENEFIT  
APPLICATION AND PETITION FEE SCHEDULE**

**BEFORE**

**THE HOUSE JUDICIARY COMMITTEE**

**SUBCOMMITTEE ON IMMIGRATION, CITIZENSHIP,  
REFUGEES, BORDER SECURITY, AND INTERNATIONAL LAW**

**SEPTEMBER 20, 2007**

**RAYBURN HOUSE OFFICE BUILDING**

Chairwoman Lofgren and Congressman King, Members of the Subcommittee, I want to thank you for the opportunity to appear before you today to discuss the recent U.S. Citizenship and Immigration Services (USCIS) fee schedule changes. I am accompanied by our Chief Financial Officer (CFO), Rendell Jones and our Associate Director of Domestic Operations, Michael Aytes.

I welcome today's hearing as part of an ongoing dialogue regarding our new fee structure. I understand that Chairwoman Lofgren and Appropriations Subcommittee Chairman David Price requested that the General Accounting Office conduct a study of our Fee Account. We welcome the GAO's insight and in the past have worked very closely with them concerning our fee schedule.

As you know, USCIS recently completed a lengthy fee review and rulemaking process, culminating with the July 30<sup>th</sup> implementation of the comprehensive revised fee schedule. The new fee schedule took into account more than 3,900 comments received after the publication of the proposed rule in February. We reached out to, and visited with, community based organizations and other interested public entities in sessions held across the country. We received comments from Members of Congress, refugee and immigrant service and advocacy organizations, public policy groups, state and local governmental entities, educational institutions, and corporations, among others. We held numerous briefings and discussions with the Congress, and the Director testified before this Subcommittee in February.

Not only did we seek and receive comprehensive input, we made the feedback and review process count. The final rule fee schedule incorporated a number of important improvements to our original proposal. Examples include:

- Reducing by 25 percent the originally-proposed fee for a child who files an Adjustment of Status to Permanent Residence application concurrently with his or her parents;
- Permitting fee waivers for Adjustment of Status to Permanent Residence if eligibility stems from asylum status, victims of human trafficking, certain juvenile immigrants, or self-petitioners under the Violence Against Women Act;
- Providing that no application or biometric fee will be charged for the first update for approval of an Application for Advance Processing of Orphan Petition, so that prospective parents may have an additional 18 month period after the first application to be matched with a child without having to pay additional fees.
- Providing that the first request for extension of the approval of an Application for Advance Processing of Orphan Petition will be accepted without a fee if filed timely and no Petition Classify Orphan as Immediate Relative has been filed.

- Adding “Special Immigrant-Juvenile” as a category of applicants exempt from the \$375 filing fee for the Petition for Amerasian, Widow(er), or Special Immigrant;
- Providing that USCIS officials can waive the \$80 biometric fee.

USCIS made every effort possible to craft a rule and fee schedule that is fair, equitable, and appropriate given the urgent need to dramatically improve immigration services to our customers, improve security and integrity, and build a modern and efficient agency for the long term.

I cannot emphasize enough how important these objectives are for the future of USCIS. The Director and I are proud of the thousands of dedicated and hard working USCIS employees in this country and abroad. I’ve seen first hand how our employees perform extremely well each and every day despite huge demand and numerous operational challenges. While it is encouraging to know that under these circumstances we can produce positive results, I also know that positive performance cannot be sustained for the long term without necessary improvements.

Our recent accomplishments should build confidence that USCIS will be able to meet our objectives. We reduced an application backlog of 3.8 million applications to just under 10,000 applications within USCIS control by the end of Fiscal Year (FY) 2006. Substantial improvements in customer service infrastructure have been made, including online filing, case updates, and change of address; the INFOPASS appointment system has been implemented; and USCIS has vastly improved dissemination of information, policies, and procedures to help people understand benefits and eligibility criteria. There are many more significant improvements that must be made, but we are on the right track.

We must use fee revenue not only to improve the services we provide today, but to provide long-term immigration security and service improvement. In some respects, we are no different than a business that invests a portion of today’s dollars for the benefit of its future financial health, employee productivity, and value to future customers. Nevertheless, the new fee schedule attempts to minimize the price effect on current customers by financing at least our Business Transformation program through premium processing revenue.

Our investments must be backed up by results and we have committed our organization to working toward a defined set of performance goals. Since the Final Rule became effective, I have been convening on a monthly basis our agency’s top leadership to monitor progress on the additional hiring, infrastructure enhancements, and other improvements discussed in our rulemaking to ensure the initiatives are on schedule and appropriately coordinated across USCIS. Over time, applicants and petitioners should see substantially improved service, with a goal of reducing average processing times by an estimated 20 percent by FY 2009. Under the FY 2008 goals, processing times for the I-485 (Adjustment of Status) may be reduced from the current six months to four, and the

N-400 (Naturalization) from seven months to five. The goal includes keeping processing times, overall, consistent nationwide.

While we are working toward meeting our current processing goals, we acknowledge there will be a challenge due to a recent surge in workload. We are presently facing a substantial influx of new workload which we believe was driven by several different factors, including progression of the employment-based Visa Bulletin and the desire of many applicants to file before the new fee schedule went into effect. We are also seeing an overall sustained increase in filings, perhaps due to anticipation of comprehensive immigration reform and outreach regarding naturalization. While we are committed to meeting our processing goals, it will take several months, if not more, to analyze operational impact of this influx of work on our goals. In the meantime, we are developing and implementing operational mitigation strategies to address this recent surge.

Our core challenge is building a 21<sup>st</sup> Century business infrastructure. Achieving this goal will take time. USCIS and DHS leadership have devoted significant management attention over the last year to ensure our Business Transformation program is developed optimally, so that our procurement effort is a success. Planning efforts have slowed our progress, but the stakes are very high and we clearly must get this effort off to the right start while hitting the ground running. We are very close to finalizing our acquisition strategy, and I anticipate substantial progress in the development of initial capability in our citizenship programs during FY 2008.

I want to assure the Subcommittee that even though this fee schedule is now in place, by no means will our assessment of planned investment and our overall cost structure stop. USCIS plans to review and update fees every two years. In comparison to fee reviews over the last decade, which essentially made retrospective adjustments on a narrowly calculated fee review, future fee reviews will combine assumptions from recent experiences, incorporate productivity gains resulting from the modernization of operations, and take account of prospective activity changes (such as those that may arise from additional security measures).

USCIS continues to seek ways to improve productivity while decreasing costs. We remain firmly committed to seeking new ways of doing business and reengineering processes to contain costs and pass on the savings to customers. Portions of this fee restructuring are designed to bring about greater efficiency and long term cost reduction. Additionally, for the first time, USCIS has incorporated a productivity measure into the fee model to ensure that productivity gains resulting from automated business processes and better technology will be factored into future fee reviews.

I truly believe that with this fee schedule that USCIS will obtain the resources it needs to bring about the nature and extent of operational improvements sought by Members of this Subcommittee, other Members of Congress, the Government Accountability Office, the Inspector General, and the USCIS Ombudsman. I am familiar with the view expressed that this agency should be supported to some extent through

appropriations instead of fees. Appropriations support has thankfully been provided for discrete operational needs in both the past (e.g., backlog elimination) and the present (e.g., Federal Bureau of Investigation (FBI) name check backlog assistance).

In general, however, USCIS was given express authority to recover the full cost of its operations through fee recovery. A full cost recovery system is fair to both USCIS customers and taxpayers. Law and policy have long provided that the costs of providing immigration benefits are borne by those applying for them. In the past, USCIS has relied on temporary funding sources, such as appropriations. With a more stable and reliable funding source of fee revenue, this agency can operate more effectively and respond to changing operational needs.

We must put in place the necessary infrastructure to help facilitate improved administration and enforcement of our immigration laws. We are working actively to address the Administration's August announcement of reforms to strengthen our nation's immigration system within existing law. In addition to improving border security and increasing interior and worksite enforcement, these reforms include streamlining guest worker programs and helping new immigrants assimilate. Getting the improvements sought through our revised fee rule is clearly the primary way USCIS will help. For example, fee rule enhancements will help bring the FBI name check backlog down to reduce wait times for legitimate applicants while helping us to more rapidly identify people who threaten our security. Fraud detection enhancements for staff and infrastructure will help us vastly improve our ability to catch individuals fraudulently attempting to obtain immigration benefits.

In closing, I again want to thank you for inviting me to this hearing. I look forward to a continuing dialogue with you about the strategic direction and operations of USCIS in achieving our common goals.