



**Homeland
Security**

RECOMMENDATION FROM THE CIS OMBUDSMAN TO THE DIRECTOR, USCIS

To: Eduardo Aguirre, USCIS Director
Cc: Admiral Jim Loy
From:: Prakash Khatri, CIS Ombudsman
Date: August 16, 2004
Re: Recommend the establishment of a separate fee structure for the “*e-filing*” of applications/petitions so that a different (lower) fee is permitted for filing an e-file application/petition than is required for a conventional paper-based filing.

I. BACKGROUND

At present USCIS is expanding its *e-filing* capability. USCIS hopes that their customers will increase their usage of *e-filing*, but there has been no tangible incentive for the customer base to do so. At present, USCIS’ *e-filing* system, when compared to conventional paper-based filing, is very time-consuming and awkward for its customer base, and so customers are not employing *e-filing* as their preferred way of doing business with USCIS. USCIS has indicated that it anticipates future cost savings to USCIS when customers routinely use e-filing as the transmission medium for their applications/petitions.

II. JUSTIFICATION

Within private industry there has been a considerable emphasis to have customers obtain products and services via the Internet as opposed to obtaining products and services by traditional means (e.g., at sales offices, submitting paper-based orders, etc.). For certain industries (e.g., the airlines) which deal in millions of customer transactions the process of converting customers to utilize Internet-based systems to acquire products and services has involved the offering of tangible incentives (e.g., cash savings) to the customers.

As an example, the airline industry discovered that if customers directly accessed ticketing services from the airlines rather than seeking these services from travel agents, the airlines could offer a cost reduction to the customer while still increasing overall revenue. So instead of paying a travel agent a 10% commission for the sale of the airline ticket, the airline could split the 10% savings in any ratio the airline desired with the customer when the customer directly booked the ticket via the Internet. This was a classic win-win, in that the customer may have gotten his/her ticket at a savings of 2-5%, while the airlines increased revenue by 5-8% on the transaction.

USCIS is in a comparable situation. USCIS believes *e-filing* will result in future reduced operating costs and also offer the potential for automated (artificial intelligence) processing of selected petitions/applications. However, the customer base has not embraced *e-filing* to the extent USCIS would like for maximum profitability and efficiency. If USCIS could provide a tangible (i.e., financial) incentive for customers to attempt an *e-filing*, the customer base would have a significant reason to employ this innovative way to file applications/petitions. Additionally, if indeed there are reduced costs to the government by virtue of *e-filing* by customers, then the government, pursuant to the cite below, is statutorily required to re-evaluate the fee charges to its customers based on its reduced efforts to process the action(s).

31 U.S.C., Section 9701. Fees and charges for Government services and things of value

(a) It is the sense of Congress that each service or thing of value provided by an agency (except a mixed-ownership Government corporation) to a person (except a person on official business of the United States Government) is to be self-sustaining to the extent possible.

(b) The head of each agency (except a mixed-ownership Government corporation) may prescribe regulations establishing the charge for a service or thing of value provided by the agency. Regulations prescribed by the heads of executive agencies are subject to policies prescribed by the President and shall be as uniform as practicable. Each charge shall be -

- (1) fair; and
- (2) based on -
 - (A) the costs to the Government;
 - (B) the value of the service or thing to the recipient;
 - (C) public policy or interest served; and
 - (D) other relevant facts.

(c) This section does not affect a law of the United States -

- (1) prohibiting the determination and collection of charges and the disposition of those charges; and
- (2) prescribing bases for determining charges, but a charge may be redetermined under this section consistent with the prescribed bases.

III. BENEFITS

A. Customer Service:

Customers would save money. Additionally, customers would be guaranteed access to the most current information regarding the requirements for their filings, as this information is routinely updated on the Internet, as opposed to relying on information preprinted on forms, especially when the information on many of the forms is not current to USCIS rules and regulations.

B. USCIS Efficiency:

USCIS processing efficiency would increase in direct proportion to the number of applications and petitions received by e-filing as opposed to traditional paper-based filings.

C. National Security:

USCIS would have more timely information regarding applicants, petitioners and beneficiaries. This results in better record-keeping and tracking of applicants and beneficiaries, as well as more timely verification of petitioner qualification.