



Explainer: President Trump’s Presidential Proclamation on H-1B Visas

Introduction

On September 19, 2025, President Donald Trump signed a [Presidential Proclamation](#) that significantly restructures the H-1B visa program, one of the most widely used pathways for high-skilled foreign professionals to work in the United States. While the H-1B program has long been a lifeline for industries facing talent shortages, the Proclamation introduces a new [\\$100,000 application fee](#) that will make it cost-prohibitive for many employers to utilize it, reshaping the landscape of U.S. immigration and labor markets. This explainer unpacks the key provisions of the Proclamation and what these changes mean for employers, foreign workers, and the broader economy.

Key Provisions of the Presidential Proclamation

The new [Presidential Proclamation](#) introduces the most restrictive measures on the H-1B program in decades:

1. **Significant New Fee:** Employers sponsoring H-1B workers must now pay a \$100,000 “visa integrity fee” per application. This represents an unprecedented escalation in costs. After the Proclamation was published, employers [expressed confusion](#) over its scope, questioning whether the \$100,000 fee applied retroactively to existing H-1B workers and whether the fee had to be paid annually. The following days after its publication, administration officials [clarified](#) that the fee applies only to new petitions filed after the effective date. They also clarified that it was a one-time fee, not an annual fee.
2. **Exemptions Based on National Interest:** The Proclamation allows DHS to grant case-by-case or industry-wide [exemptions](#) to the \$100,000 fee if employing H-1B workers is deemed in the U.S. national interest. However, the criteria for these exemptions remain unclear.
3. **Increased Compliance Burdens:** Employers face heightened reporting requirements, audits, and penalties for violations. Parallel to the Proclamation, the Department of Labor (DOL) announced [Project Firewall](#), a new enforcement initiative targeting employers who rely heavily on the H-1B visa program.

The administration frames these changes as necessary to “protect American workers” and ensure that companies prioritize domestic hiring. Critics [argue](#) that the measures will undermine U.S. competitiveness and innovation.

What Industries Benefit from H-1B Visas?

The [technology sector](#) is by far the largest beneficiary of the H-1B program. This sector relies on a steady influx of international talent to sustain research, product development, and global competitiveness.



Beyond Silicon Valley, [H-1Bs are vital](#) in:

- **Healthcare:** Hospitals and clinics [employ](#) foreign doctors, nurses, and medical researchers to address staffing shortages.
- **Higher Education and Research:** Universities [sponsor](#) professors and researchers whose expertise strengthens the U.S. academic system.
- **Finance and Business Services:** Banks, consulting firms, and accounting companies [hire](#) specialized workers to handle complex global operations.
- **Engineering and Manufacturing:** From aerospace to automotive industries, H-1Bs [fill roles](#) where U.S. talent is scarce.

In short, the visa program supports industries at the core of the U.S. economy while bridging persistent labor gaps.

Old vs. New Application Costs

Before the Proclamation, the cost of applying for an H-1B visa included several [mandatory fees](#):

- **H-1B Lottery Application Fee:** \$215
- **Filing Fee (Form I-129):** \$460
- **American Competitiveness and Workforce Improvement Act (ACWIA) Fee:** \$750 or \$1,500 depending on company size
- **Fraud Prevention and Detection Fee:** \$500
- **Public Law 114-113 Fee (for H-1B dependent employers only):** \$4,000
- **Premium Processing (optional):** \$2,805

Altogether, most employers spent between \$5,000 and \$10,000 per H-1B worker.

Under the Proclamation, employers must now pay an additional [\\$100,000 visa integrity fee](#) per petition. This brings the total cost to well over \$105,000 per worker, pricing out many small and medium-sized businesses and significantly burdening even large corporations that hire hundreds of H-1Bs annually.

Likelihood of Litigation

The new Proclamation on H-1B visas is almost certain to face [legal challenges](#). Immigration lawyers, business associations, and affected industries have already signaled that the policy is vulnerable in court, and litigation is expected to begin almost immediately.

Several aspects of the Proclamation are likely to be tested in court:

- **Statutory Authority:** The White House relies on sections 212(f) and 215(a) of the Immigration and Nationality Act (INA) to justify the \$100,000 supplemental fee and related entry restrictions. Critics [contend](#) Congress never authorized such



high fees or broad restrictions, arguing the Proclamation exceeds presidential powers under the INA.

- **Administrative Procedure Act (APA):** The Proclamation may be [challenged](#) for bypassing required notice-and-comment rulemaking. Additionally, the vague criteria for exemptions and the undefined concept of “essential” workers risk arbitrary enforcement, heightening the chances of an APA violation.

Complications for Employers and Workers

The new policy introduces [wide-ranging challenges](#) for employers and foreign-born workers who rely on the H-1B program.

For Employers

- **Cost Barriers:** The fee increase will create financial, compliance, and workforce challenges for companies of all sizes, universities, and hospitals that cannot afford to pay \$100,000 per application.
- **Hiring Delays:** Stricter labor market tests and compliance checks will slow down hiring processes.
- **Reduced Global Competitiveness:** Companies may relocate operations abroad to access the talent they can no longer bring to the U.S. affordably.

For Foreign Workers

- **Fewer opportunities for workers:** The steep costs make employers less willing to sponsor H-1Bs, narrowing opportunities for talented workers.
- **Limited availability of H-1B visas for entry-level positions:** Parallel to the Proclamation, the administration [published](#) a notice of proposed rulemaking that would lower the chances for international students and entry-level workers to be selected in the H-1B lottery.
- **Legal and personal strain:** Heightened scrutiny and procedural delays increase uncertainty for workers and their families.

The Department of Labor’s “Project Firewall”

In addition to the Proclamation, on September 19, 2025, the U.S. Department of Labor (DOL) announced [Project Firewall](#), a new enforcement initiative targeting employers who utilize the H-1B visa program. According to the agency, the program aims to “protect the rights, wages, and opportunities of U.S. workers,” while strengthening oversight of H-1B hiring practices and cracking down on abuse. The initiative is a parallel development to the Proclamation, signaling that the administration intends to increase both the cost of obtaining H-1B visas and the regulatory scrutiny of companies that use them.

Conclusion



The Proclamation on H-1B visas represents one of the most consequential changes to U.S. immigration policy in decades. By drastically raising costs and imposing new restrictions, the policy threatens to limit the flow of high-skilled talent that has long powered U.S. innovation, scientific discovery, and business growth. While the administration argues that these measures protect American workers, critics warn that they could instead drive investment and talent abroad, undercutting the nation's competitiveness.

For employers, the new Proclamation means higher costs, longer delays, and difficult strategic decisions about whether to utilize the H-1B program and/or relocate jobs overseas. For foreign workers, it means fewer opportunities and greater uncertainty. And for the U.S. economy, it raises pressing questions about whether protectionism can coexist with the nation's tradition of welcoming global talent to fuel progress.