



100 Years Standing Up for American Enterprise
U.S. CHAMBER OF COMMERCE

Statement of the U.S. Chamber of Commerce

ON: The Economic Imperative for Promoting International Travel to the United States

**TO: Subcommittee on Immigration, Refugees and Border Security,
United States Senate Committee on the Judiciary**

From: Thomas J. Donohue, President and CEO

DATE: March 27, 2012

The Chamber's mission is to advance human progress through an economic, political and social system based on individual freedom, incentive, initiative, opportunity and responsibility.

The U.S. Chamber of Commerce is the world's largest business federation, representing the interests of more than 3 million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations.

More than 96 percent of the Chamber's members are small businesses with 100 or fewer employees, 70 percent of which have 10 or fewer employees. Yet, virtually all of the nation's largest companies are also active members. We are particularly cognizant of the problems of smaller businesses, as well as issues facing the business community at large.

Besides representing a cross-section of the American business community in terms of number of employees, the Chamber represents a wide management spectrum by type of business and location. Each major classification of American business -- manufacturing, retailing, services, construction, wholesaling, and finance -- is represented. Also, the Chamber has substantial membership in all 50 states.

The Chamber's international reach is substantial as well. It believes that global interdependence provides an opportunity, not a threat. In addition to the U.S. Chamber of Commerce's 115 American Chambers of Commerce abroad, an increasing number of members are engaged in the export and import of both goods and services and have ongoing investment activities. The Chamber favors strengthened international competitiveness and opposes artificial U.S. and foreign barriers to international business.

Positions on national issues are developed by a cross-section of Chamber members serving on committees, subcommittees, and task forces. More than 1,000 business people participate in this process.

**The Economic Imperative for Promoting International
Travel to the United States**

**Testimony of
Thomas J. Donohue
President and CEO
U.S. Chamber of Commerce**

before the

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Introduction

Chairman Schumer, Ranking Member Cornyn, and distinguished Members of the Subcommittee on Immigration, Refugees and Border Security: thank you for the opportunity to be here today to discuss the critical need for reforms that could increase the number of international business and leisure travelers who visit our country each year and create new American jobs.

With more than 20 million Americans unemployed, underemployed, or having given up looking for jobs, the Chamber's top priority is clearing government impediments and helping the private sector grow the economy and create millions of new jobs without raising taxes or increasing the deficit. The travel and tourism sector is a clear example where relatively easy fixes can bring forth real results.

Over the last year, the Chamber, in collaboration with our colleagues at the U.S. Travel Association and other partners representing the travel industry and the broader business community, has been working to restore the U.S. share of the global overseas travel market to its 2000 level of 17 percent.¹ This could result in the creation of 1.3 million new jobs.²

¹ U.S. Travel Association, *Ready For Takeoff: A Plan to Create 1.3 Million U.S. Jobs by Welcoming Millions of International Travelers* Executive Summary (May 12, 2011), available at <http://www.smartervisapolicy.org/site/documents/VisaReport.pdf>.

² Ibid.

The travel and tourism industry is a small business-centered sector that employs 7.4 million Americans and generates more than \$700 billion³ in revenue but it has been held back by self-imposed, bureaucratic barriers that deter additional international travelers.

The Chamber believes that securing the nation is a top priority and has advocated that Congress and the Administration take actions and set policies that make our borders more secure. We are confident the U.S. government can achieve enhanced security goals while at the same time facilitating legitimate international travel to the United States.

Improving the Visa Process

In 2000, the U.S. captured 17 percent of the global overseas travel market but over the last decade, we have seen a significant drop and in 2010, we only captured 12.4 percent of that same market.⁴

The tragic terrorist attacks on September 11, 2001 forced the U.S. government to implement some fundamental changes in the way that it screens potential visitors. While there is no question that appropriate safeguards are critical to ensuring our nation's security, the Chamber believes that considerations to protect the flow of trade and travel are also essential to ensuring our nation's economic security.⁵

Since September 11, 2001, we have seen clear examples where our visa application system has not been able to meet the demand of potential visitors. An example of this can be seen when looking at the wait times for in-person interviews at U.S. consulates in Brazil and China in 2011. In August of 2011 delays in Brazil averaged 113 days, while in June of 2011 delays in China averaged 48 days. It is not hard to see how a two to three month wait for an appointment can serve as a deterrent to potential travelers.

The Chamber would like to acknowledge the significant efforts that the State Department and the Administration have undertaken in the last few months to help address these wait times. By adding 100 visa adjudicators and extending hours at some posts to process more visa applications in Brazil and China, wait times have been dramatically reduced and now average 5 days in China and 18 days in Brazil. We

³ U.S. Travel, Power of Travel Fact Sheet, *available* <http://www.poweroftravel.org/>.

⁴ U.S. Travel Association *Supra* note 1, at Executive Summary.

⁵ "The primary mission of the Department is to—(F) ensure that the overall economic security of the United States is not diminished by efforts, activities, and programs aimed at securing the homeland." Title 1, Section 101 of the Homeland Security Act of 2002, Public Law 107–296 (November 25, 2002), *available at* http://www.dhs.gov/xlibrary/assets/hr_5005_enr.pdf

are also encouraged by the initiatives provided in Executive Order 13597, which would increase non-immigrant visa processing capacity in China and Brazil by 40% in 2012, ensure that 80% of non-immigrant visa applicants are interviewed within three weeks of receipt of application, increase efforts to expand the Visa Waiver Program, and expand reciprocal trusted travel programs for expedited travel (such as the Global Entry program). We hope these actions will serve as a catalyst for greater improvements in facilitating travel to the United States.

Further, visa applicants often spend a great amount of money and time traveling to consulates in large countries like Brazil and China. Currently, these countries have between four and five consular posts dedicated to processing visas. As a result, potential visitors living outside of the cities where consulates are located often have to travel hundreds of miles to obtain an interview. The Chamber urges the State Department to explore mobile interview processing units and visa videoconferencing interviews to provide greater access to visas in China and Brazil.

While we support efforts undertaken so far, it is necessary to emphasize that outbound travel from Brazil and China is expected to increase by 38 percent and 151 percent respectively by 2020.⁶ Now is the time to make the necessary changes to ensure that we are not having this same conversation in 18 months. The Jobs Originated through Launching Travel Act (JOLT Act) is a critical step in this process.

Impact on Business Beyond Tourism

Before I discuss the specifics of the JOLT Act, I want to take a moment to emphasize the impact that these issues have on the needs of the B-1 business traveler. Often when we discuss these barriers to international travel many assume that we are only discussing problems in visa processing for the B-2 leisure traveler, however these issues have a great impact on the B-1 business visitor and American companies. America's trade relationships and economic goals depend a great deal on the ability of foreign customers (and potential ones) to travel to the United States to visit our manufacturing operations, inspect products and services they are considering purchasing, negotiate contracts, and attend trade shows. Additionally, many of our member companies are global in nature and depend on the ability to bring key personnel to the U.S. from their overseas locations to attend meetings, receive training, integrate project work, and interface with U.S. business partners. Technology has been an incredible tool for global commerce, but face-to-face business interactions in the United States are an essential part of American companies' ability to function and compete in a global economy.

⁶ U.S. Travel Association, *supra* note 1, at 17.

The President's Export Council highlighted this very issue in a letter to President Obama on March 11, 2011, which states:

“Efficiently transporting and relocating talent around the world are critical to the survival of U.S. businesses in a world characterized by just-in-time global supply chains and immediate customer and supplier demands. Many American companies utilize business-related visas to facilitate the entry of suppliers, customers, foreign employees, business partners, prospective investors, and conference and trade show participants.

A series of changes in the visa process following 9/11 have added time and uncertainty to the application process and made it more difficult for global companies to grow their business. These policies include increased security checks of certain visa applicants, the collection of biometric data to secure a visa, and the institution of mandatory in-person interviews for most visa applicants. A survey released in 2004 calculated direct and indirect losses to business of over \$30 billion due to visa restrictions. We believe those losses have continued in the intervening period. These policies are costing U.S. jobs by encouraging trade shows to locate meetings abroad and for centers of global research and collaboration to be built offshore.⁷”

For a company that manufactures large machinery, their ability to bring customers to the U.S. is critical. A customer wants to tour the factory, examine the product inside and out, and meet the team that is responsible for production.

We also need to make sure that we can provide service after the sale. Many companies encourage their clients to travel to the U.S. to participate in training programs on their products, but if they cannot get these travelers here in a timely manner, they will have no choice but to relocate their training facilities to other countries.

It is also important to remember that while many of our companies are headquartered in the U.S., most of them are global in nature and have personnel all over the world. Delays in visa processing impact our companies' business objectives by causing managers and professional employees to miss critical meetings and training sessions scheduled in the U.S.

⁷ Letter to the President from the President's Export Council (March 11, 2011), *available at* http://trade.gov/pec/docs/PEC_Business_Visas_031111.pdf.

When companies decide that they need to meet with their clients, business partners, or foreign staff, they certainly do not have the luxury of planning their trips months in advance to accommodate our visa process. For our companies to stay competitive, we need to make sure that our government is not standing in the way.

Further, delays in visa processing have dire economic consequences upon the trade show industry according to Stephen Hacker, President of the International Association of Exhibitors and Events.⁸ In late 2010 the International Association of Exhibitors and Events commissioned the research firm Oxford Economics and found that visa issues prevented 116,000 international visitors from attending U.S. exhibitions. This included 78,400 buyers and 37,900 international exhibitors.⁹ These buyers want to come to the United States to purchase farm and construction heavy machinery costing thousands, and in many cases, millions of dollars apiece; they need aerospace components, automobile parts, technology and U.S. service industry know-how. However, today they are buying what they need in other nations as a result of our visa policies and processing delays.

Access to Visas: The JOLT Act

Since September 11, 2001, the Chamber has offered up a number of suggestions and process improvements we feel could support our objectives without compromising security initiatives and also facilitate business and leisure travel to the United States in support of international commerce.

Even as we welcome the progress of the Administration, the Chamber shares the view along with others in the travel industry, that there remain a number of aspects of B-1/B-2 (business and leisure) visa policy that require further improvements to ensure that the visa application, interview, and review processes are not burdensome to American business and our economy going forward.

The Chamber feels that the JOLT Act would encourage these improvements at the consular level and, as a result, increase international travel to the U.S. The JOLT Act would improve visa processing and expand international travel by:

⁸ Testimony of Stephen Hacker, President of the International Association of Exhibitors and Events before the Senate Committee on Appropriations Subcommittee on Homeland Security Hearing on Challenges for U.S. Air Travel P3 (March 21, 2012), *available* at <http://www.appropriations.senate.gov/ht-homeland-security.cfm?method=hearings.view&id=5d1a6fad-d4f6-4cc9-8b77-5a5826baa298>

⁹ *Ibid.*

- Modifying agreements with certain countries on a nonreciprocal basis to allow for extended visa validity periods which would reduce the number of times that visitors must renew their visas.
- Providing an option to expedite the processing of B-1 and B-2 business and visitor visas at premium cost. Just as the State Department charges an extra fee to expedite the processing of a U.S. passport, this bill would encourage the State Department to create a pilot program that charges an extra fee to expedite the processing of B-1/B-2 visas. This provision would ensure that applicants requesting premium processing for such visas are interviewed and their visa applications are adjudicated not later than 3 business days after the date of the applicant's request for a visa appointment, absent compelling security concerns. Expedited processing would enable companies to more efficiently move their personnel and clients into the United States to meet business demands.
- Enabling the State Department to create a pilot program to incentivize visitors to submit applications during low-peak seasons. Visa interview wait times typically lengthen during the summer months and around holidays so this bill gives the State Department the flexibility to lower visa application fees for B-1 and B-2 visas during off-peak seasons which will encourage travelers with greater flexibility to apply for visas when demand is lower.
- Establishing a visa processing standard. This bill would mandate the State Department to conduct visa interviews and review applications not later than 15 days after the date on which an applicant requests an appointment. Beginning one year after its enactment, this legislation would require the State Department to move to a 10 day processing standard for all nonimmigrant visas. However, this bill would allow additional processing time for applications subject to security-related checks and clearance. A visa processing standard would provide international travelers more predictability regarding the U.S. visa application process. Additionally, we believe that this enhanced processing standard would provide the State Department sufficient time to adequately interview and review a routine nonimmigrant visa application.
- Encouraging the State Department to use nonimmigrant visa application fees to hire a sufficient number of foreign service officers and limited non-career appointment consular officers to continuously meet and maintain the processing standard. The State Department has already added limited non-career appointment consular officers to countries with long visa wait times such as Brazil and China; however, travelers to the U.S. from these countries

are primed to grow exponentially in the next few years and this legislation would ensure that the State Department plans accordingly so that it can continue to meet the growing demand.

- Expanding the Visa Waiver Program (VWP). The VWP currently offers visa-free travel to 36 partnering countries. A number of additional countries, including Poland and Taiwan, have indicated an interest in joining the program. Additionally, the Chamber believes that Brazil, Chile, and Argentina would be strong candidates for participation. The JOLT Act would allow the Secretary of Homeland Security to designate additional program countries after they have successfully met the necessary security requirements, while also updating the program's eligibility requirements. Expansion of the VWP is the most economically significant step that the U.S. government can take to improve the performance and competitiveness of the visa processing system while maintaining national security. VWP travelers are one of the largest sources of inbound overseas travel to the United States. According to the Department of Commerce, 65 percent of all overseas visitors to the U.S. in 2010 traveled under the VWP.¹⁰ While in the U.S., these visitors spent more than \$61 billion, which supported 433,000 American jobs and generated \$9 billion in government tax revenues.¹¹ Prior to acceptance into the program, participating countries in the VWP must agree to adopt strict security measures, strong travel document standards, and enhanced information sharing agreements with the United States which makes our nation significantly more secure.

Conclusion

Today we are talking about jobs. We are talking about a way in which we can strengthen our economy just by encouraging more travelers to visit the U.S.

The Chamber believes that the JOLT Act could accomplish many of the goals that would allow the U.S. to recapture its share of the global travel market and will help get Americans back to work. This bill could constitute a sound foundation toward expanding overseas travel to the United States while maintaining national security. We stand ready to work with the Chairman, Members of the Subcommittee, and the rest of Congress to move forward on these important reforms.

The U.S. is the greatest travel destination in the world. Every family that chooses to vacation in our country and every business person that travels here to

¹⁰ U.S. Travel Association, *supra* note 1, at 43.

¹¹ *Ibid.*

conduct their business can see that. To bring more international travelers to the United States we need to put the welcome mat back out. That means vigorously promoting what America has to offer and reducing the “hassle factor” of visiting the United States without compromising security. The JOLT Act is a step in the right direction and the U.S. Chamber of Commerce supports its passage.