

**TESTIMONY FOR THE RECORD**

**OF**

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**ON**

**THE BORDER SECURITY, ECONOMIC OPPORTUNITY, AND**  
**IMMIGRATION MODERNIZATION ACT, S. 744**

**BEFORE THE**  
**SENATE JUDICIARY COMMITTEE ON**

**APRIL 22, 2013**

**INTRODUCTION**

On behalf of the U.S. and Vermont travel and tourism industry, I welcome the opportunity to provide testimony on how immigration reform can spur economic growth by providing needed reforms and resources that will expand foreign travel to the U.S. We congratulate the “Gang of 8” for including a number of significant provisions in the “Border Security, Economic Opportunity, and Immigration Modernization Act” and more broadly recognizing that facilitating legal travel must be an integral part of immigration reform.

As our economy recovers from the Great Recession, travel is leading the way:

- In 2012 international visitors added nearly \$130 billion to the U.S. Economy and generated more than \$19 billion in federal, state and local tax revenue.
- One in eight Americans is employed by the travel industry, and international visitors support more than one million U.S. Jobs.
- Every 33 additional overseas visitors – i.e. international visitors other than those from Canada and Mexico – create one American job.
- Overseas visitors to the US spend an average of nearly \$4500 per visit.
- Inbound international travel to the U.S. is America’s number one service export.

Vermont is very dependent on Tourism. Our percentage of jobs in the industry is twice the national average (38%) while our visitors spent \$1.7 billion in 2011 generating \$233 million in

tax revenue. The majority of our businesses are small and family-owned, and Agritourism is growing at a very high rate. We are starting to see a steady increase of international visitors and it is a market that we are focusing on much more with the support of Brand USA. While we benefit from being a weekend getaway for millions of travelers, in order for our small businesses to flourish, we need to attract more international travelers who stay longer (on average 14 days) and spend more money.

Understanding the economic importance of growing international visitation, we are fully supportive of the inclusion of the Jobs Originated through Launching Travel (JOLT) Act in the proposed immigration legislation. The JOLT Act, which garnered bipartisan support in both the Senate and House last Congress, will address some of the most pressing barriers facing inbound business and leisure travel to the U.S. JOLT, along with other key provisions in the legislation such as the EB-5 and H-2B proposals, will help the U.S. meet the nation's goal of attracting 100 million visitors by 2021.

In my testimony, I also want to highlight a provision in the bill which would have a negative impact on our nation's effort to continue attracting international visitors.

#### VISA WAIVER PROGRAM

According to an analysis by the U.S. Travel Association, one provision alone in the immigration proposal – expanding the Visa Waiver Program (VWP) – could, if extended to Argentina, Brazil, Bulgaria, Chile, Croatia, Israel, Panama, Poland, Romania and Uruguay, increase annual visitation by more than 600,000 people, add more than \$7 billion to the U.S. economy, and support more than 40,000 additional American jobs. A recent sales mission to Brazil by Vermont's ski industry gave us insight into how much interest there is for our ski product in just this one country.

The most economical and powerful step the U.S. government can take to improve the performance and competitiveness of the visa processing system while maintaining national security is to sign bilateral visa-free travel agreements with new countries as part of the VWP. The immigration proposal before the Senate today makes some necessary adjustment to the VWP in order to allow additional countries such as Poland, Brazil and Israel the opportunity to be eligible for the program, if they met substantial and important security and counter-terrorism criteria.

In 2011, visitors from VWP countries played a leading role in making travel the leading service export for our nation. VWP countries are the largest source of inbound overseas travel to the United States. According to Commerce Department data, 18 million VWP visitors, 65 percent of all visitors from overseas traveled to the U.S. in 2011. While here, they spent nearly \$69 billion, supporting 525,000 American jobs along with \$12.8 billion in payroll, and generating \$10.5 billion in government tax revenues.

Every new overseas visitor from Brazil, Poland and other key markets constitutes a source of new economic stimulus. Each has the desire and means to travel to the United States, for business and/or pleasure; and rarely do these visits require additional U.S. infrastructure. It is

just a question of whether our entry process is welcoming or discouraging, as compared with destinations in other nations.

Another key goal of the Visa Waiver Program is to improve standards for air security, travel documents and international law enforcement collaboration. As a condition of participation in the program, VWP countries must follow strict counter-terrorism, border security, law enforcement and document security guidelines, as well as participate in information-sharing arrangements with the United States. VWP countries must issue International Civil Aviation Organization-compliant electronic passports; report information on all lost and stolen passports to the United States through Interpol; and share information on travelers who may pose a terrorist or criminal threat to the U. S. As a result, our government is able to supplement our watch-list database with information from the travelers' home governments. In addition, each VWP traveler must also obtain pre-clearances to board a flight to the U.S. through the ESTA.

Taken together, these eligibility requirements ensure compliance with elevated security standards and cooperation with United States law enforcement. This enables us to better detect, apprehend and limit the movement of terrorists, criminals and other dangerous travelers – and to shift limited visa screening resources to higher risk countries.

The most effective ambassadors of American values are ordinary Americans. Citizens from VWP countries who travel to the United States for tourism or business form life-long impressions of American society based on their visits to destinations, large and small, across America. From our national parks to our ball parks to our theme parks, the heartland of our great nation reflects the best of the United States to foreign visitors. The more they know us, the better they like us and the more often they return.

Surveys have shown that foreigners who have the opportunity to visit the U.S. are 74 percent more likely to have a favorable view of our country; and that 61 percent are more likely to support the U.S. and its policies. Moreover, the mere agreement itself to establish a visa waiver relationship reinforces bilateral goodwill. While its explicit mission is to enhance security and encourage travel, the Visa Waiver Program has also demonstrated significant public diplomacy value as a “soft power” tool that complements our formal foreign policy mechanisms.

By strengthening our alliances and enhancing our nation's global image, the VWP has helped to keep us safer. By facilitating more efficient flow of overseas visitors for legitimate business and leisure at a time when the global travel market is booming, VWP expansion offers enormous export opportunity for the U.S. travel and tourism sector across the entire nation.

## INTERNATIONAL TRAVEL PROVISIONS

The immigration bill also includes other provisions designed to improve the U.S. economy by facilitating legitimate travel to the U.S. including reducing visa wait times with measures that include:

- **Premium Visa Processing:** This provision would establish a pilot program for fee-based, expedited interviews at a limited number of consulate posts. Similar to services already

offered by the State Department for passport issuance, this would allow expedited review of visas for travelers willing to pay the additional fee. This service would not alter the visa issuance process, thus ensuring no impacts to security. Additionally, the revenue generated from the program would be reinvested into the State Department's visa issuance activities.

- **Visa Processing Goal:** The establishment of a visa processing goal is critical to ensure long-term, strategic planning by the State Department. The provision sets a goal of interviewing 80% of the applicants within three weeks for all nonimmigrant visas worldwide. It is my understanding that the State Department has already met this goal and therefore, I would encourage the Senate to raise the bar with a new goal of interviewing 90% of the applicants within ten days, with recognition of the need to concurrently maintain U.S. security and address resources allocation.
- **Wait Time Transparency:** Requiring the State Department to publish information on visa wait times will eliminate uncertainty in the process and facilitate travel planning for potential visitors.
- **Encouraging Canadian Visitation:** Easing unnecessary restrictions on visitation from Canada will only enhance the already strong diplomatic and economic ties between the two countries. As we continue with implementation of the "Beyond the Border Agreement" we should identify additional opportunities to boost Canadian visitation to the U.S. Vermont has a distinct and important relationship with our Canadian neighbors. This relationship is especially strong in the northern region where thousands of Canadians own second homes. These Canadians are more than second homeowners, though, they are members of our communities, not only as a critical segment of our local economy, but generous contributors to our local foundations, arts and humanities organizations. As these homeowners reach retirement, they are interested in spending more time in the U.S. so we strongly support increasing their time to remain in the U.S. to 240 days as proposed in the immigration bill.
- **Global Entry Expansion:** We also support inclusion of new language to expand the highly successful Global Entry Program that allows pre-approved, low risk international travelers the ability to utilize an expedited clearance process upon entry into the U.S. Customs and Border Protection personnel to focus inspection resources on unknown or risky travelers.

## BRAND USA

Brand USA is a non-profit, public-private partnership dedicated to promoting the U.S. as a premier travel destination in foreign markets. By attracting more visitors, Brand USA increases U.S. economic growth, spurs job creation and creates a more positive impression of the U.S. around the world – at no cost to U.S. taxpayers. Half of Brand USA's budget, up to a maximum of \$100 million per year, is funded by the private sector, with matching funds provided by a \$10 fee assessed on visa-free international visitors screened through the Department of Homeland Security's Electronic System for Travel Authorization (ESTA).

Brand USA has already launched successful campaigns in Canada, Japan and the United Kingdom and is having a significant impact in these initial markets, showing between a 12 – 14% increase in intent to travel to the U.S. We expect to see similar results as the marketing campaign intensifies in the next three markets – China, Brazil and South Korea.

I represent the “small rural states” on the Brand USA Marketing Advisory Committee. This organization has allowed those of us that are not gateway states such as Florida, California and New York to finally have a voice in the international travel market. Vermont is lucky to work with Discover New England (the 6 states have a marketing cooperative overseas run by a staff of 3) but that has always been somewhat limited since the visitor is encouraged to visit the entire region only giving Vermont one or two nights of the stay. Since Brand USA and Vermont have partnered together, it has allowed Vermont to enter the markets of Great Britain, Tokyo and Canada, using both New York and Montreal as a gateway as opposed to only Boston with Discover New England. Partnering with Jet Blue, we have already seen an increase in visitation to Vermont through JFK and I have been able to hire a PR firm in the UK to promote Vermont.

Brand USA also makes it much more affordable and easier for Vermont to have a presence at international trade shows. Having a presence at a trade show allows smaller states a new opportunity to market themselves. Just this year at the ITB (largest international trade show in Europe) I saw states represented that have never attended before. The interest at the Illinois booth was particularly noteworthy with the popularity of the film “Lincoln” which they smartly were featuring. Brand USA has done a particularly good job promoting our National Parks and Monuments of which many are in smaller more rural states.

With the aforementioned successes and economic benefits associated with Brand USA’s efforts, we are very concerned about a provision in Section 6 of the immigration bill that would divert 75% of the ESTA fees that are used by Brand USA to the general funding pool for border security. DHS currently collects about \$140 million annually from the \$10 fee, and Brand USA can access up to \$100 million of these ESTA funds, if matched with private sector donations. The excess \$40 million currently is dedicated to deficit reduction. While Vermont and the broader travel community would support using the excess fees for the border security requirements in the immigration bill, we strongly oppose changing the ESTA funding formula so that Brand USA would only receive 25% of the \$140 million. Slashing the funding provided to Brand USA would greatly reduce the markets Brand USA could tackle and greatly diminish its return-on-investment to the U.S. Furthermore, with fewer resources, BUSA would have less opportunity to partners with smaller states like Vermont.

## EB-5 PROGRAM

Vermont has been a pioneer of the EB-5 program through the unparalleled efforts of Jay Peak Resort’s Bill Stenger, making our state the first in the country to successfully utilize this program for resort development and expansion. Jay Peak is a perfect example of this program’s benefits for the economy and the local community, where jobs are scarce in that part of Vermont and conventional lending is not an option. Other resorts in Vermont that have utilized this program or are pursuing it for future projects include Sugarbush Resort, the Trapp Family Lodge and

Mount Snow Resort. In addition, manufacturing companies have likewise benefited from this program, thereby strengthening that important component of Vermont's economy. We appreciate the inclusion of a permanent authorization of this important program in Section 2319.

## H-2B WORKERS

We also very much appreciate inclusion of reforms to the H-2B visa program which is highly important to employers in seasonal tourism industries – most importantly the states with lower populations and dense visitor seasons. Ski resorts in the winter and beach communities in the summers rely on these workers who not only prove to be excellent employees but bring a cultural experience to states that do not necessarily enjoy a great deal of diversity. When a trained employee can return for several years it is a great benefit to all. We thank you for including Sections 4601 and 4602 in the bill.

## VISA VIDEOCONFERENCING

In geographically large countries, the lack of access to U.S. Consular Offices creates a major deterrent to travel to the United States for millions of potential visitors. For this reason, we encourage the Committee to add a provision requiring the State Department to conduct a pilot program using secure videoconferencing technology for visa interviews. By adopting modern communications technology commonly used in the private sector, U.S. consulates around the world could provide increased access for potential travelers while reducing costs for U.S. taxpayers.

Videoconferencing has become second nature to private industry and even State Government. The quality of remote videoconference technology has improved significantly in recent years – and is now used routinely for secure communications in the State Department and other sensitive federal agencies, as well as in such demanding environments as battlefield medicine. The use of videoconference technology to conduct visa interviews will enable U.S. consulates in nations such as Brazil to significantly expand access to visa services without reducing the level of security for visa interviews.

## CBP OFFICER STAFFING

U.S. Customs and Border Protection's (CBP) recently released Workload Staffing Model identified a significant shortage of CBP officers nationwide. In order to enhance security, while also facilitating legitimate travel and trade, we strongly support the addition of the 3,500 CBPOs included in the legislation. In order to ensure the officers are allocated appropriately, we urge the committee to work with CBP to identify and specify the number of officers needed at air, land, and sea ports of entry.

While Vermont lacks a major U.S. gateway airport, our tourism industry relies heavily on traffic from major northeast hubs, where travelers often experience significant customs wait times upon entry – largely due to a lack of resources within CBP. These delays can significantly impact foreign perceptions of the U.S. and discourage future visitation.

Let me give you a couple of examples of the far-reaching impact of this problem. It is common for states like Vermont to invite foreign journalist to visit our state and write stories about their experience in order to attract international visitors. We recently had 4 journalists from the U.K. arrive at 10:00 pm in JFK on a flight that arrives every evening at that time. There was only one agent to process all of the international visitors arriving on various flights at that time this resulted in a four hour wait at primary inspection. As a result, the journalist didn't arrive to their hotel until after 3:00 am. Imagine if you had to wait in a four-hour line to enter a country after arriving on a 7-hour flight. Would it leave you with a desire to return? We did all we could to show them a wonderful experience in Vermont, but the delays at CBP are likely to also be featured in the articles they write.

For the past two winters we have worked with Porter Airlines from Toronto to fly four flights per week into Burlington International Airport. This has opened a huge market for us, and the high demand for the flights has proven this market has excellent potential. Yet, instead of helping sustain this economic opportunity, as of today, we won't be able to offer the service in the summer because CBP has informed us they do not have the officers to process those flights. It appears that the CBP officers from the winter are reassigned to Lake Champlain in the summer. So essentially, we are going to leave money on the table and hurt our local small businesses as a result.

The land border can also experience similar problems. Our Canadian visitors have found it much more difficult to cross the border due to both lines and intensive scrutiny that often borders on harassment. I have experienced first hand much greater difficulty coming back into our Vermont from Canada.

We strongly encourage the committee to work with CBP to provide adequate staffing resources at our nation's gateway airports to process all flights and to meet a 30 minute per-passenger processing goal. Recently released researched from CBP highlighted the significant economic impact of CBPOs. Adding a single CBP officer equates to annual benefits of a \$2 million increase in GDP, \$640,000 saved in opportunity costs, and the addition of 33 U.S. jobs. This significant economic and security related impacts generated from each officer should more than justify the government's investment in increased CBP staffing.

## CONCLUSION

As noted throughout my testimony, there are various provisions in the bill that recognize the importance of legitimate travel to our nation. As we work to reform the entire immigration system and enhance border security, we must ensure that our efforts do not unintentionally deny the country the significant economic benefits of travel. Just like many other states, Vermont has a strong tourism industry and many of the provisions outlined in my testimony will help strengthen our state and local economies throughout the country.

I very much appreciate the opportunity to testify today and look forward to your questions.