



UNITED STATES TRAVEL AND TOURISM ADVISORY BOARD

November 18, 2014

The Honorable Penny Pritzker
U.S. Department of Commerce
1401 Constitution Ave, NW
Washington, DC 20230

Dear Secretary Pritzker,

The United States Travel and Tourism Advisory Board (Board) is pleased to recommend enhancements to the visa processing system in response to President Obama's National Travel and Tourism Strategy. Earlier process improvements resulting from this mandate have dramatically reduced wait times for obtaining a U.S. visa. In 2013 over 92% of visa applicants worldwide were able to schedule appointments within three weeks of the application completion date.¹ In most cases, interviews occur within three days of the application date and are then processed and returned within 5 business days. The Board would like to commend the dedicated people at the State Department who helped increase international visitors to the U.S. to 69.8 million in 2013, increasing the economic impact of tourism by 9% to \$181 billion.²

As the competitive market for international travel continues to grow, it is imperative that we make continual improvements to all aspects of the international travel process in order to increase our global market share and establish the U.S. as a desired destination for many millions more travelers. Applying for a visa and visiting a U.S. embassy or consulate are crucial first steps for foreign nationals wishing to travel to the U.S. We believe that making this process more convenient and more efficient will increase international travel to the U.S. and improve the U.S. brand image. Further, as our nation seeks to improve our economy with less reliance on government spending, instituting changes that increase international travel become even more important -- as travel increases economic activity, creates jobs and improves the balance of trade.

¹ *Increasing Tourism to Spur Economic Growth*. The Executive Office of the President, 2014

² *Ibid.*

Strategies for Achieving the National Goal of 100 million International Visitors

To meet the President's goal of 100 million annual international visitors to the U.S. by 2021, the Board is proposing a two-part strategy to improve the visa processing system:

- Increase the number of travelers who are 1) not subject to an in-person interview by giving greater discretion to the State Department to determine interview requirements and 2) not required to have a visa by expanding the Visa Waiver Program (VWP) to additional countries that are willing and able to meet the program's statutory and policy requirements, entering into a close bilateral law enforcement and security partnership with the United States.
- Increase the U.S. market share of qualified visa applicants from key countries by making process and efficiency improvements to the visa system that will attract qualified international applicants who currently choose to travel elsewhere.

To develop recommendations, the Board performed an internal system-analysis and identified opportunities at the legislative, administrative, and management levels of the visa application and issuance process.

Furthermore, the Board identified four key countries (Poland, Brazil, China and India) where an increased focus on process improvements would maximize economic, cultural, and diplomatic benefits, while making significant progress towards achieving 100 million international visitors by 2021. The economic rationale supporting the private sector's prioritization of these countries is included in the addendum.

Through our research, we also found that a travel improvement plan must consider issues of visa necessity and accessibility, traveler perception, customer service, and other impediments such as the cost of visas, the fear of refusal, and the preparation commitment that is required to obtain a B1 or B2 visa, all while maintaining national security as a fundamental necessity. Moving forward, a set of solutions should allow for the processing of more visa applications, but also work to increase the United States' market share of international travel by reducing the real or perceived impediments qualified travelers face in the visa process.

Systemic Challenges and Recommended Solutions

While the core functions of the U.S. visa system are rooted in legislation and policy, it is the administrative layer that makes the system operational, and the management level that carries

out the process at consular offices. We have identified several opportunities within each area to improve visa processing.

Administrative actions:

- Whenever possible, if legislation is not required, utilize administrative options to increase international travel to the U.S.
- Examine the metrics used to calculate the refusal rate to make sure it is accurately balancing our national security interests with promoting international visitation. The current metric $[\text{Refusals minus Overcomes}] / [(\text{Issuances} + \text{Refusals}) - \text{Overcomes}]$ is susceptible to subjective decisions by different consular offices in different countries, which affects the number of visas granted. An additional factor considered by the Department of Homeland Security (DHS) and the State Department is the countries' visa-overstay rate; we recommend giving this metric additional weight.
- Increase maximum visa validity wherever possible by encouraging the Administration to continue aggressive dialogue to that end. We applaud the new bilateral agreement with China to extend the visa validity period from one year to 10 years for eligible travelers.
 - In addition to China, there are a number of medium sized countries that, taken together, could make a significant impact in increasing international travel to the U.S. These countries include Ecuador, Egypt, Ghana, Indonesia, Jordan, Pakistan, and Saudi Arabia -- all of which currently have a visa validity duration of 60 months. Visa validity extensions represent a strategy that could be implemented without legislation. Doing so makes travel to the U.S. easier, and reciprocally benefits American travel to outside countries.
- In China and India, reduce the amount of documentation that applicants are required to present to Consular officers, or make the process easier by allowing for electronic submission and translation of personal documents so they can be reviewed before or without an in-person interview. This consideration is particularly useful in regards to providing evidence of financial support, the notarized offer of employment or evidence of assets and/or other bank related statements, and the requirement that all information provided on applications be submitted in English.
- Implement technological updates that would allow for the discontinuance of foil stickers, as was done by the Australian government. This would help speed up processing time and eliminate the expenses associated with transporting, storing, securing, and inserting the foil stamps, and the corresponding labor costs.
- Develop an algorithm to determine whether lowering the visa application fees would stimulate an increase in applicants, thus reducing a perceived financial impediment to travel. This would help determine a new cost of service model and the projected

break-even point of reduced costs and increased applicants in order to adequately cover Consular Affairs operational costs, as mandated by Congress.

- Research the possibility of offering a “family” or group rate for visa fees. This could streamline processing and reduce the financial burden of international travel.

Administrative actions, with private sector support:

- Continue VWP reciprocity negotiations with the private sector’s top two priority countries, Poland and Brazil, to prepare them for acceptance into the VWP. Working with the DHS and the State Department, the Board commits to engage our local private sector partners in Poland and Brazil to encourage their governments meet the existing statutory and policy requirements for VWP designation by DHS.
 - Recognizing that there are national security, reciprocity and information sharing requirements, among others, associated with admitting countries into the VWP, the private sector also sees the economic benefit of continuing to bring new countries into the program and supports discussions with eight other countries that have expressed interest in VWP designation status. These include: Argentina, Bulgaria, Cyprus, Israel, Malaysia, Romania, Turkey, and Uruguay (noting that both Argentina and Uruguay are prior members).
 - We also urge DHS and the State Department to identify next steps for future consideration of prospective countries including Croatia and South Africa.
 - In light of current and ongoing national security monitoring concerns, we also request that DHS and the State Department continue to inform Congress of the national security benefits to the U.S. inherent in the VWP program, including enhancements to passport security and data sharing that prospective VWP members must implement.
- Expedite the pilot and feasibility study needed for the implementation of an electronic interview system/videoconferencing through collaboration between the private sector and the Department of State.
- As an alternative to in-person visa interviews, explore public and private sector partnerships to create U.S. Consular “Videoconferencing and Visa Hubs”, implemented in partnership with U.S. business interest operating internationally, potentially including hotel and resort companies and American Chambers of Commerce. There are already hubs processing U.S. nationals’ documents and one could be expanded to pilot accepting foreign nationals’ documents.
 - As globally-recognized U.S. hotel companies increasingly become the place where multinational corporations, diplomats, journalists, and others feel safe and secure conducting their business, adding a U.S. Visa office at international hotels (with headquarters in the U.S.) such as the Marriott in Hangzhou -

population 2.45 million; the Radisson Blu in Chongqing - population 27.7 million; Hyatt Regency in Dongguan - population 8 million; Hilton in Shenzhen - population 7 million; or other U.S. Chain Hotels in major Chinese population centers could provide prospective travelers a secure internet and videoconferencing experience.

-Note: The prior referenced hotels are just possible examples in large Chinese population centers and not meant to convey specific recommendations. Final selections would require clearance by the State Department and a willingness to meet the necessary security standards by the individual hotel property.

- Work with the Board's Data and Research Subcommittee to integrate public and private sector data, such as projections from large global travel management companies, to help the State Department forecast and prepare for changes in visa demand.

Legislative Actions, with Private Sector Support:

- Continue to support provisions in H.R. 1354, the "Jobs Originated through Launching Travel" (JOLT) Act.
- In addition to supporting positive legislation that promotes international tourism to the U.S., the private sector commits to actively oppose legislation that negatively impacts travel and tourism to the U.S., including bills that would limit or repeal the Visa Waiver Program -- which requires rigorous national security and data sharing as a reciprocal requirement.
- Separate the requirement that DHS create a biometric exit system from increasing the VWP refusal rate requirement from 3% to 10%. The linkage of the two issues led, in 2009, to the expiration of the law setting a 10% refusal rate threshold, and the return to the 3% threshold, keeping certain, otherwise qualified, countries out of the program to date.
- Support a House companion bill to S. 744, section 4103 - The Border, Security, Economic Opportunity, and Immigration Modernization Act (passed by the Senate on 6/27/2013), which gives the Secretary of State broader authority to waive interviews for low-risk persons in the national interest.
- Support legislation to add qualified travelers to the VWP such as the bipartisan Subnational Visa Waiver Program Act, supported by U.S. Senators Mazie Hirono (D-Hawaii), Amy Klobuchar (D-Minn.), Mark Kirk (R-Ill.), Mike Lee (R-Utah). The bill grants the Secretary of Homeland Security, in consultation with the Secretary of State, the authority to consider subnational territories and regions currently treated separately under U.S. law for participation in the VWP.

-This could include Hong Kong and Macau in China and the British Virgin Islands and Turks and Caicos Islands in the U.K. Hong Kong and Macau passport holders already have visa-free access to Canada, the European Union and over 100 countries around the world.

Consular Management Actions:

There are several opportunities to further improve consular operations on the front-line, which is the only time customers/travelers have a human interaction with a U.S. official as they navigate the visa system. In this sense, the consular management is the “face of the system” that defines the perceptions and consumer experience of international travelers. The following recommendations may improve customer experiences and bolster the image of the U.S. as a travel destination.

- Collect and analyze traveler feedback in the development of customer service best practices by opening a feedback loop with travelers/customers at each embassy or consulate. While many consular sections do this on a local level, we suggest making this a standard practice with reporting protocol.
- Improve the experience for customers waiting to interview, including continued improvements to queuing systems and making Brand USA destination marketing materials readily available in the consular waiting areas.
- To encourage visits from persons with a first language other than English, implement digital language translation tools to assist applicants in meeting the requirement that all information provided on visa applications to be submitted in English.
- Encourage the adoption of best practices provided by the Bureau of Consular Affairs’ leadership, management, and innovation committee, 1CA. Several key advancements and tools for evaluating consular performance have been developed. Enhance the existing communications protocol to broadly share best practices and encourage the use of 1CA tools to improve service.

Consulate Management Actions, with support from the Private Sector and Brand USA:

- In conjunction with Brand USA, pursue market survey information regarding the perception and brand image of the U.S. as a travel destination, and front-line customer service experiences, with an analysis of the impact of these perceptions on the individual’s decision whether or not to travel to the U.S.
- Define a public and private sector communications strategy to improve the image and perception of consular and visa services. This could include adding messaging related to the ease of visa processing and minimal wait times such as “In 2013 92% of applicants worldwide were able to obtain appointments within three weeks” to

appropriate Brand USA communications and education efforts and encouraging travel management companies to add this information to their marketing materials, websites and itineraries.

Conclusion

In closing, we recognize that many of the visa application and issuance processes we have suggested are aspirational, innovative and require further review by the State Department and DHS, and we are eager to further discuss, explore and assist in the development of these ideas. We believe that addressing these legislative, administrative and management barriers will provide meaningful progress toward achieving the goal of 100 million travelers to the U.S. by 2021. Further, a focus on Poland, Brazil, China and India is encouraged, as there will be significant future increases in international travelers from these countries. Improvements to accommodate travelers from these countries will be imperative to U.S. competitiveness in the international travel market.

We recognize the great achievements already made by the U.S. government in this area. We are grateful for the opportunity to build upon these earlier successes and ask that you consider our recommendations as ways to continue to improve the experiences of our international guests.

Sincerely,



Sam Gilliland
Chair



Kathleen Matthews
Vice Chair

Addendum to U.S. Travel and Tourism Advisory Board Recommendations

November 18, 2014

Country Prioritization for VWP or other Process Improvements

The Board recommends these four key countries where the Department of State could focus its process improvement efforts. Our research identified that these markets represent the greatest opportunities for economic, cultural, and political benefit, while also contributing significant progress towards the President's goal of 100 million visitors to the U.S. in 2021.

Poland:

Poland has long been a strategic partner of the United States in Europe. A member of NATO, Poland has been a strong ally with U.S. forces in both Afghanistan and Iraq. Since shedding communism 25 years ago, Poland has seen its economy grow to 22nd in the world with a GDP of \$814 billion.³ Its economy has been robust in the past several years. It was the only European economy not to decline in 2009 and has weathered the Euro crisis with above average growth rates. Poland is the only member of the Schengen area that is not part of the Visa Waiver Program. According to the Schengen agreement, U.S. citizens may enter Poland for up to 90 days for tourism or business purposes without a visa.

Of the 38 countries in the Visa Waiver Program, 29 are European. We recommend the U.S. work to get Poland into the VWP for diplomatic and cultural purposes. The Polish feel discriminated against compared to their neighbors, and the large Polish population in the U.S. would benefit from easier travel for their relatives.

In 2013, the U.S. processed 69,964 B1/B2 visa applications in Poland, and granted visas to 62,408 people, representing an 89.2% acceptance rate. This represents a 3.2% increase in visas issued over 2012.⁴ Between the two U.S. consular sections in Poland, average wait times for a visa interview are one day. Of the 43.3 million Polish international travelers in 2011, the U.S. only received 0.14%⁵ of those, showing that there is room for significant growth in the market share of Polish international travelers.

Brazil:

The Board strongly advocates for the admittance of Brazil to the Visa Waiver Program. Brazil has established itself as one of the dominant emerging markets in the world and is the strongest economy in Latin America.

³ *Poland's Top Ten Exports 2014*, worldstopexports.com

⁴ U.S. State Department Annual Reports, 2012 and 2013.

⁵ *International Tourism Number of Departures*, data.worldbank.org

While wait times for visas have been reduced to just days, our research identified that the visa process is still burdensome to Brazilian travelers, impacting the U.S. market share. In a 2010 U.S. Travel Association survey of 500 travelers from Brazil, 70.2% of respondents planning to travel to the U.S. identified the distance required to travel to the consulate among the factors making the visa process most difficult.

Today, Brazilians are among the top spenders when traveling to the U.S. – as they rank fourth overall, and rank first among those countries not in the VWP. In 2013, the U.S. issued 925,678 B1/B2 visas in Brazil, with an overall refusal rate of 3.2%. Across the four U.S. consular sections in Brazil, wait times averaged an impressive two calendar days.⁶ However, of the 9.1 million international Brazilian travelers in 2013⁷, 2.06 million visited the U.S.⁸ - dropping the U.S. total market share of Brazilian travelers from 26% in 2010, to 23% in 2013.

Brazil is a market where large potential growths in international travel is hindered by the U.S. visa requirement. Legislative changes that would allow Brazil to enter the VWP would be extremely beneficial to the U.S. travel and tourism industry.

China:

China is a market in which a significant growth in travelers can be achieved. In 2013, the U.S. issued 1,146,322 B1/B2 Visas, stemming from 1,252,810 total applications. While this represents a 26% increase in visas issued over 2012⁹, it is only a small portion of Chinese international travel. In 2013, Chinese international travelers topped 97 million, yet only 1.86% of those traveled to the U.S.¹⁰ Chinese travelers have a tremendous economic impact on the U.S. travel and tourism industry, spending \$9.8 billion in 2013¹¹, and are therefore of tremendous interest to the private sector.

A 2010 U.S. Travel Association survey indicates that 81.6% of Chinese visitors to the U.S. identified the distance required to travel to the consulate for the interview among the factors making the visa process most difficult. Furthermore, 25% of all Chinese say that the ease of applying for a visa would determine what country they would choose to visit.¹²

Elements of the U.S. visa system negatively impact the number of Chinese applicants who choose to apply; yet demand for international travel in this market continues to increase. The

⁶ U.S. State Department Annual Reports, 2012 and 2013.

⁷ *Tourism Flows Outbound in Brazil, Euromonitor International*

⁸ Top 10 International Markets: 2013 Visitation and Spending

⁹ U.S. State Department Annual Reports, 2012 and 2013.

¹⁰ *Chinese International Travel Monitor, 2014.*

¹¹ Top 10 International Markets: 2013 Visitation and Spending.

¹² *Chinese International Travel Monitor, 2014.*

Board recommends that process improvements be focused on this key market so that an increase in the Chinese market share can be achieved. Making the visa application easier and more accessible, enhancing the consular experience, and improving the U.S. brand image would address negative perceptions around applying for a U.S. visa. Together, these improvements would allow for a significant increase in travelers to the U.S. from China.

India:

India is an emerging world market with a burgeoning middle class that is now opting to travel overseas as a result of higher disposable income. The greatest concerns expressed by Indians surrounding the topic of international travel to the U.S. are the rate of visa rejection and its impact on future visa applications. Further, the difficulty in traveling to a U.S. consulate for in-person interviews also deters Indian travelers from pursuing U.S. visas. There are eight cities in India with populations greater than 2 million that do not have a U.S. visa-processing center.

In 2013, the U.S. issued 376,998 visas in India, with a refusal rate of 18.7%. Across the five U.S. consular sections in India, the average wait time is five calendar days.¹³ In 2013, the U.S. welcomed 859,000 Indian international travelers. During that year, Indian travelers spent a total of \$5.6 billion in the U.S., ranking the country 10th on the top spender list.¹⁴ However, this number of visitors to the U.S. is just 0.5% of the 16.63 million Indian international travelers in 2013.¹⁵ The number of Indian international travelers is expected to reach 50 million by 2020.¹⁶ To capture this increase in travel, overall process improvements as described above would allow for the processing of more visa applications and help to improve the U.S. brand image.

¹³ U.S. State Department Annual Reports, 2012 and 2013.

¹⁴ *Top 10 International Markets: 2013 Visitation and Spending*.

¹⁵ *Number of Departures of India Nationals*, Statista.com

¹⁶ *Report Yearbook of Tourism Statistics*, United Nations World Tourism Organization.