**TRAVEL BUSINESS
ROUNDTABLE**

A Strategic Partner to **TIA**

TESTIMONY OF

JONATHAN M. TISCH

**CHAIRMAN, THE TRAVEL BUSINESS ROUNDTABLE
CHAIRMAN AND CEO, LOEWS HOTELS**

FOR THE

**COMMITTEE ON COMMERCE, SCIENCE AND TRANSPORTATION
UNITED STATES SENATE**

"**PROMOTING TRAVEL TO AMERICA: AN EXAMINATION OF
ECONOMIC AND SECURITY CONCERNS**"

JANUARY 31, 2007

INTRODUCTION

Good afternoon. Chairman Inouye and Ranking Member Stevens, I would like to thank you and Senator Dorgan for your attention to the travel challenges America is currently experiencing and for holding today's hearing.

I am Jonathan Tisch, chairman and chief executive officer of Loews Hotels, and chairman of the Travel Business Roundtable, a CEO-based organization whose mission is to educate policymakers about the important social and economic contributions of the U.S. travel industry.

Along with our strategic partner, the Travel Industry Association (TIA), we represent all sectors of the U.S. travel and tourism industry – an industry that has $703 billion in expenditures, employs 7.5 million Americans and has untapped potential for winning hearts and minds of people from around the world.

Along with this testimony, I would like to submit the "Blueprint to Discover America" as part of my statement for the record.

NEED FOR A 21ST CENTURY VISA SYSTEM

As a member of the Discover America Partnership's Leadership, I thank you for allowing my colleagues and me the opportunity to present before this Committee today. I would like to describe for you Step One of our blueprint for change: reforming America's visa issuance system.

The State Department has put in place new programs and added staff to facilitate the visa process since 9/11. Some progress has been made. However, the U.S. inbound travel market from overseas still lags behind pre-9/11 levels. More can and should be done.

Overseas travel to the U.S. has declined 17 percent since 2001 while travel worldwide is steadily on the rise. A recent survey conducted by the Discover America Partnership showed that international travelers are 74 percent more likely to have a favorable opinion of the U.S. if they have actually visited here. In addition, those 2,000 travelers surveyed indicated they were 61 percent more likely to support the U.S. and its policies having visited. Clearly, we need more international travelers; they strengthen our economy, our diplomacy and our security.

Before most international travelers (those not part of the Visa Waiver Program) ever have the opportunity to set foot on American soil, they must obtain a non-immigrant visitor visa. Two hurdles in this process – distance from consular posts and wait times for interviews – have all too often made obtaining a visa cumbersome, and in some cases are redirecting travelers to other destinations.

Following 9/11, every visa applicant was required to have an in-person interview with a U.S. consular official. In places such as Brazil and India – with a total land mass equal to or in excess of the United States – there are only four consulates in the entire country. In these cases, potential visitors to the U.S. must take a trip just to be considered for the right to visit the U.S.

According to the Government Accountability Office (GAO), during a recent six-month period in 2006, 97 of the 211 visa-issuing posts were reporting wait times in excess of 30 days, and nine posts with wait times over 90 days. This is unacceptable, especially when the State Department's own goal is to have wait times of 30 days or less.

As recently as November of last year, the wait times in India were as high 184 days. Due to additional staffing and resources, the State Department was able to process the backlogs and reduce wait times to under one week in three of the four consulates. We are pleased to see that progress has been mostly sustained. This model should be applied to other locations with lengthy wait times such as Mexico and Brazil.

Hurdles in the visa process have had an economic toll as well. In 2005, the National Foreign Trade Council estimated that U.S. businesses lost $30 billion between 2002 and 2004 because of America's visa system. We need more international visitors, not fewer, to come to the U.S., and we have the capability of welcoming more visitors while at the same time strengthening our security.

In this "Blueprint to Discover America," we lay out four recommendations for improving the visa process while enhancing security:

1. Reduce wait times at all consular posts to less than 30 days;
2. Use technology for visa processing where travel distances are excessive;
3. Strengthen and expand the visa waiver program; and
4. Enhance security and efficiency upon entry into and exit from the U.S.

REDUCE WAIT TIMES

First, we are challenging the State Department to meet their own standard and cut the wait times to 30 days or less at all consular posts. We suggest several ways to do that. For those posts with recurring problems, "rapid response" teams should be deployed. Consular officials and trained experts should be sent to handle the demand – similar to State's response in India. We also believe that Congress should take an active role to assess the needs at consular offices overseas and adequately fund staffing demands.

BRIDGE THE DISTANCE FOR INTERVIEWS

Our second recommendation is adapting 21st Century technology, such as videoconferencing and Internet applications, to better facilitate the visa process and to lessen the hassle for visa applicants in geographically large countries such as Brazil, China, Russia and India. In fact, videoconferencing for visa interviews was one of the initiatives outlined in Secretary of State Condoleezza Rice and DHS Secretary Michael Chertoff's "Secure Borders and Open Doors" plan, announced in January 2006.

For these plans to succeed, we ask that Congress enact legislation that allows for the use of technology and new methods of collecting information – when the appropriate security controls are in place – to facilitate interviews and other background checks. Additionally, the re-emergence of using American Chambers of Commerce overseas to expedite visa issuance for business travelers has been successful. That progress should continue.

STRENGTHEN AND EXPAND VISA WAIVER TRAVEL

The third element for visa reform is strengthening our Visa Waiver Program (VWP), which allows travelers from lower-risk countries – our best trading partners – to come here without obtaining a visa. The VWP is essential for keeping our doors open to international travel. Two-thirds of all overseas travel to the U.S. comes from VWP countries.

By expanding the program, we can welcome more travelers while consular resources can be better prioritized for higher risks. The President recently announced his plan to do just that. By opening the program to more of our allies while requiring more personal information from travelers for security purposes, we boost our economy, our diplomacy and our security all at the same time.

EXPAND UPON US-VISIT

Our last visa recommendation is already being addressed by the federal government, and that is creating an effective exit tracking system. Today our government is wary of letting more visitors into the country because we are not sure if they are going to leave. The US-VISIT program has been an excellent example of using 21st Century technology to protect our borders, but the exit component is still incomplete.

We must build on this technology to carefully monitor the entry <u>and</u> exit of travelers, but do so in a way that does not hinder travel. It is time we use the resources at our disposal and execute the same concept at our visa posts and at our ports of entry.

CONCLUSION

In conclusion, this blueprint lays out a comprehensive plan that strengthens our nation's security and at the same time bolsters our economy and creates more jobs here at home. By taking these actions and communicating such progress to the public, we will also help turn around the negative perceptions of America.