

GAO

Testimony

Before the Subcommittee on Government Management, Organization and Procurement, Committee on Oversight and Government Reform, House of Representatives

For Release on Delivery
Expected at 2:00 p.m. EDT
Wednesday, June 25, 2008

BORDER SECURITY

State Department Expects to Meet Projected Surge in Demand for Visas and Passports in Mexico

Statement of Jess T. Ford, Director
International Affairs and Trade





Highlights of [GAO-08-931T](#), a testimony before the Subcommittee on Government Management, Organization, and Procurement, Committee on Oversight and Government Reform, House of Representatives

Why GAO Did This Study

The U.S. Mission in Mexico is the Department of State's largest consular operation. In fiscal year 2007, it processed 1.5 million of the 8 million nonimmigrant visas (NIV) State handled worldwide. The U.S. Mission in Mexico also provided services, including passport processing and emergency assistance, to 20,000 American citizens in fiscal year 2007. This already significant consular workload is expected to increase dramatically in the coming years as millions of NIV Border Crossing Cards issued in Mexico between fiscal years 1998 and 2002 expire and need to be renewed. In addition, the implementation of new travel requirements under the Western Hemisphere Travel Initiative (WHTI) will, for the first time, require U.S. citizens to carry passports, or other approved documentation, when traveling between the United States and Mexico.

This testimony addresses (1) State's estimates of the workload for consulates in Mexico through 2012 resulting from, in particular, new travel requirements and the reissue of Border Crossing Cards; and (2) the actions State has taken to ensure consulates in Mexico keep pace with projected workload increases through 2012. This testimony is based on work currently in process that involves analyzing State's workload forecasts and forecast methodology, interviewing State officials, and visiting five posts in Mexico. GAO discussed this testimony with State officials, who agreed with GAO's findings.

To view the full product, including the scope and methodology, click on [GAO-08-931T](#). For more information, contact Jess T. Ford at (202) 512-4268 or fordj@gao.gov.

BORDER SECURITY

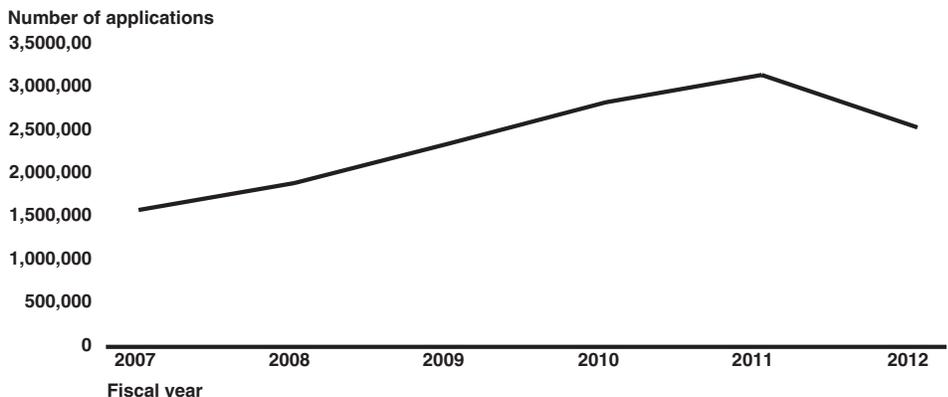
State Department Expects to Meet Projected Surge in Demand for Visas and Passports in Mexico

What GAO Found

According to State forecasts, as of April 2008, the U.S. Mission in Mexico's (Mission Mexico) NIV demand will peak at slightly over 3 million applications in fiscal year 2011, about twice the number from fiscal year 2007. State acknowledges there are uncertainties regarding the number of Border Crossing Card holders who will renew their cards and the number of first time NIV applicants, which may affect the accuracy of its forecasts. State will be revising the forecasts on a periodic basis as new data become available. In addition to its increase in NIV workload, Mission Mexico will also be facing increases in its passport workload due to the implementation of WHTI. The exact magnitude of the increase in passport workload is more difficult to forecast than for NIVs, because there is not the same historical precedent. There is also a great deal of uncertainty as to how many U.S. citizens actually live in Mexico or the number of these citizens likely to apply for a passport.

In anticipation of this surge in demand for NIVs and U.S. passports, State is taking steps to ensure consulates in Mexico keep pace, including adding consular interview windows to several high-demand posts and planning to hire about 100 temporary adjudicating officers. Consular officials GAO met with at several posts in Mexico generally agreed that these efforts to expand resources should be adequate for Mission Mexico to keep pace with expected workload increases, and GAO's analysis indicates the mission will generally have enough interviewing windows during the surge. Several posts will rely on the addition of temporary adjudicators to keep pace with increased NIV demand and would face backlogs if these slots cannot be filled or if the temporary staff are not as productive as expected. However, State is confident that it has an adequate pool of potential applicants. Mission Mexico may also gain additional capacity from a pilot program, currently under way at two posts, that outsources a portion of the NIV application process to off-site facilities; however, the pilot was implemented too recently to assess its potential impact on productivity, fraud, or security.

Mission Mexico NIV Demand Forecast



Source: GAO analysis of State data.

June 25, 2008

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here to discuss GAO's work on the Department of State's (State) efforts to prepare for the upcoming surge in its consular workload in Mexico.

Legitimate travel between Mexico and the United States contributes to bilateral trade of over \$1 billion per day, according to State. The U.S. Mission in Mexico (Mission Mexico) is State's largest consular operation in the world; in fiscal year 2007, it processed 1.5 million of the 8 million nonimmigrant visas (NIV) State handled worldwide. Moreover, its post in Ciudad Juarez was the largest issuer of U.S. immigrant visas in the world. The U.S. Mission in Mexico also provided services, including passport processing and emergency assistance, to around 20,000 American citizens in fiscal year 2007. This already significant consular workload is expected to increase dramatically in the coming years as millions of NIV Border Crossing Cards issued in Mexico between fiscal years 1998 and 2002 expire and need to be renewed. In addition, the implementation of new travel requirements under the Western Hemisphere Travel Initiative (WHTI) will, for the first time, require U.S. citizens to carry passports, or other approved documentation, when traveling between the United States and Mexico. State must expand its consular capacity in Mexico to keep pace with this expected surge in demand for millions of visas and thousands of U.S. passports over the next several years. If State does not take the steps necessary to adequately meet this growth in workload, travel between the two countries could be significantly affected, resulting in inconveniences and hardships for individual travelers and negative consequences for the economies of both countries.

Today, I will discuss (1) State's estimates of the workload for consulates in Mexico through 2012 resulting from, in particular, new travel requirements and the reissue of Border Crossing Cards; and (2) the actions State has taken to ensure that consulates in Mexico keep pace with projected workload increases through 2012.

My statement today is based upon GAO's ongoing work, scheduled to be completed at the end of July 2008, on State's efforts to prepare for the upcoming surge in its consular workload in Mexico. In our work to date,

we analyzed data provided by State on current and forecasted passport and nonimmigrant visa workload for all 10 posts in Mexico.¹ We analyzed the reliability of State passport and NIV workload data and found them suitably reliable for our purposes. As part of our review of the data, we also assessed State's forecasting methodologies based upon available information. We also analyzed State's estimates of the staffing and facility resources needed to meet the anticipated workload increases in Mexico. In addition, we performed work at five consulates in Mexico—Mexico City, Guadalajara, Monterrey, Ciudad Juarez, and Tijuana—observing visa and passport processing at each post and meeting with consular management and representatives from the Nonimmigrant Visa and American Citizen Services units. We also conducted a series of interviews with State officials in Washington, D.C. Lastly, we reviewed a range of State and Mission Mexico documentation, including Mission Performance Plans, consular packages, rightsizing reports, policy guidance documents, and various cables and memos.

We conducted this performance audit from November 2007 to June 2008 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Summary

State anticipates that Mission Mexico's NIV and passport workload will likely double from fiscal year 2007 to 2011, with NIV applications continuing to constitute the vast majority of the mission's workload. Mission Mexico will experience a substantial growth in its NIV workload primarily due to the need to renew millions of Border Crossing Cards that are set to expire beginning in fiscal year 2008. According to State forecasts from April 2008, Mission Mexico's NIV demand will peak at slightly over 3 million applications in fiscal year 2011, a 103 percent increase from fiscal year 2007. NIV demand will then begin to decline in fiscal year 2012. On June 18, State informed us that it has produced revised forecasts based upon a newly developed methodology; however, we have not had time to

¹In addition to the consular section in the U.S. embassy in Mexico City, Mission Mexico has consulates in nine cities—Ciudad Juarez, Guadalajara, Hermosillo, Matamoros, Merida, Monterrey, Nogales, Nuevo Laredo, and Tijuana.

assess these forecasts or include them in the testimony. State acknowledges it is uncertain about how many Border Crossing Card holders will renew their cards and the number of first time NIV applicants and that various methodological factors associated with their April 2008 projections may also affect the accuracy of its forecasts. However, State officials believe the forecasts are more likely to overestimate demand. For example, to be conservative, State assumes in its projections that all Border Crossing Card holders will renew their cards upon expiration, even though a number of card holders are unlikely to renew their cards because they have either legally or illegally immigrated to the United States. Consequently, State intends to use these forecasts as a rough guide in developing plans to meet the upcoming surge in NIV workload. In addition to the increase in NIV workload, Mission Mexico will be facing increases in its passport workload due to the implementation of WHTI. The magnitude of the increase in passport workload is more difficult to forecast because, unlike with the NIV surge, there is no historical precedent. Also, there is a great deal of uncertainty as to how many U.S. citizens actually live in Mexico, or the number of these citizens likely to apply for a passport. Despite the challenges developing passport forecasts, State has created some initial estimates of workload increases caused by the implementation of WHTI; the estimates show passport and Consular Reports of Birth Abroad (CRBA) workload peaking at 73,000 applications in fiscal year 2009—the year in which WHTI requires a passport for travel to the United States by land²—and fiscal year 2010, then declining.³

In anticipation of the surge in demand for NIVs and U.S. passports in Mexico, State is taking several steps to ensure that consulates in Mexico keep pace with projected workload increases through 2012, including adding interviewing windows to several posts; it also plans to hire about 100 temporary adjudicating officers with renewable 1-year contracts. Consular officials we met with at several high-demand posts in Mexico generally agreed that State's plans, if fully implemented, to expand resources and implement new procedures should be adequate for Mission Mexico to keep pace with expected workload increases. However, as State continues to revise its estimates of future workload, it may need to adjust

²WHTI will be implemented June 1, 2009, so long as State and the Department of Homeland Security have certified 3 months in advance that several criteria have been met. Pub. L. No. 110-161, Div. E, Title V, §545 (Dec. 26, 2007).

³State tracks passport and CRBA applications together because both types of applications are handled by consular officers in posts' American Citizen Services units.

its resource plans to reflect the latest assumptions about future demand for passports and NIVs. Our analysis of NIV interview window capacity indicates that Mission Mexico should generally have enough windows at the peak of NIV demand projected for fiscal year 2011. State's plans to hire temporary adjudicators would almost double the existing number of consular officers throughout Mission Mexico during the surge and allow posts to reduce staff levels when the surge is over. Monterrey, Mexico City, Ciudad Juarez, and Tijuana are expected to be the heaviest users of temporary adjudicators and would therefore be at greatest risk of increased NIV backlogs if temporary adjudicator slots cannot be filled. However, State officials are confident they have an adequate pool from which to hire qualified people to fill these slots in time to meet peak demand in Mexico. State also began a pilot program that outsources a portion of the NIV application process that does not require the direct involvement of consular officers, including biometric data collection, at off-site facilities. The pilot began in the spring of 2008 in Nuevo Laredo and Monterrey. Because it is ongoing, we are unable to assess its potential impact on productivity, fraud, or security. Additional efficiencies may be gained at posts in Mexico from State's recent guidance authorizing consular officers to waive interviews of certain NIV renewal applicants.⁴ In addition, while posts acknowledged that predicting demand in Mexico for U.S. passports resulting from WHTI is difficult, they believe they have enough flexibility to shift resources from NIV sections as needed to avoid significant backlogs in processing passport applications.

Background

Foreign nationals who wish to visit the United States, including business travelers and tourists, must generally obtain a nonimmigrant visa. The majority of travelers visiting the United States from Mexico receive an NIV Border Crossing Card, which is valid for 10 years. In order to obtain a Border Crossing Card, applicants must generally: (1) schedule an appointment for a visa interview at a U.S. consulate, (2) fill out an application and pay applicable fees, (3) have their photos taken and fingerprints collected at a U.S. consulate, (4) have their information checked in the Consular Lookout and Support System—State's name-

⁴Current law and State regulations allow for the waiver of the NIV interview in limited circumstances, including when an applicant is applying for a renewal and (1) it is within 12 months of the expiration of the previous biometric visa, (2) it is for the same classification of visa, (3) the applicant is applying at the consular post of his or her usual residence, and (4) the Foreign Service Officer adjudicating the case has no indication of visa ineligibility or of noncompliance with U.S. immigration laws and regulations.

check database that consulates use to access critical information for visa adjudication, and (5) have an interview with a consular officer, who is responsible for making the adjudication decision.

In 1996, Congress passed the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA), which required that every Border Crossing Card issued after April 1, 1998, contain a biometric identifier, such as a fingerprint, and be machine readable. The law also mandated that all Border Crossing Cards issued before April 1, 1998, would expire on October 1, 1999, regardless of when their validity period ended. This deadline was extended by Congress two times, first to September 30, 2001, and then to September 30, 2002. The passage of IIRIRA created a significant surge in Mission Mexico's NIV workload, as Border Crossing Card holders sought to obtain the new visas before the congressionally mandated expiration date. This culminated in a historic high in NIV workload in fiscal year 2001, when the mission processed 2,869,000 NIV applications.

We have previously reported on challenges State faced in managing its NIV workload.⁵ Among other things, we found that NIV applicants have often had to wait for extended periods of time to receive appointments for interviews. Believing that wait times for NIV interviews were excessive, in February 2007, State announced a worldwide goal of interviewing NIV applicants within 30 days. In the year before the 30-day goal was announced, the average wait time across the consulates in Mexico had been as high as 73 days; by the time of the announcement of the 30-day goal, however, Mission Mexico had already successfully reduced the average wait time to less than 30 days at all but one of its posts. Since February 2007, the mission has successfully kept the average wait time among the consulates at less than 30 days.⁶

The Western Hemisphere Travel Initiative

In response to recommendations in the 9/11 Commission report, the Intelligence Reform and Terrorism Prevention Act of 2004, as amended,

⁵See GAO, *Border Security: Long-Term Strategy Needed to Keep Pace with Increasing Demand for Visas*, [GAO-07-847](#) (Washington, D.C.: July 13, 2007); and *Border Security: Reassessment of Consular Resource Requirements Could Help Address Visa Delays*, [GAO-06-542T](#) (Washington, D.C.: Apr. 4, 2006).

⁶Over this period, Monterrey is the only post in Mexico where wait times averaged over 30 days in more than 1 month.

required that the Secretary of Homeland Security, in conjunction with the Secretary of State, develop and implement a plan that requires United States citizens to provide a passport, other document, or combination of documents that the Secretary of Homeland Security deems sufficient to show identity and citizenship when entering the United States from certain countries, including Mexico. This will represent a significant change for many U.S. citizens living in Mexico, who have until recently been able to routinely cross between the United States and Mexico with more limited documentation. The Department of Homeland Security (DHS) and State are implementing these requirements through WHTI. DHS implemented WHTI at all air ports of entry into the United States on January 23, 2007, and plans to implement the requirements at land and sea ports of entry beginning in June 2009, assuming that DHS and State can certify 3 months in advance that certain criteria have been met, as required under the law.⁷

State Anticipates Significant Increases in Mission Mexico's Nonimmigrant Visa and Passport Workload from Fiscal Years 2007 to 2011

Ten years after the first surge in demand for Border Crossing Cards began in fiscal year 1998, State anticipates another surge in NIV demand in Mexico as these cards begin to expire and millions of card holders apply for renewals at U.S. consulates. In addition to this cyclical surge in demand caused by the expiring Border Crossing Cards, State officials anticipate that Mission Mexico will continue to experience steady growth in demand from first-time visa applicants. To assist in preparing for these increases, State has developed forecasts of the expected future NIV workload in Mexico.⁸ The NIV projections and forecasting methodology discussed in this report are based upon data State provided to us in February and April 2008. On June 18, State informed us that it has developed revised NIV forecasts for Mission Mexico based upon an alternative methodology. We have not yet had time to analyze these NIV forecasts or incorporate them into this testimony, but we may include a

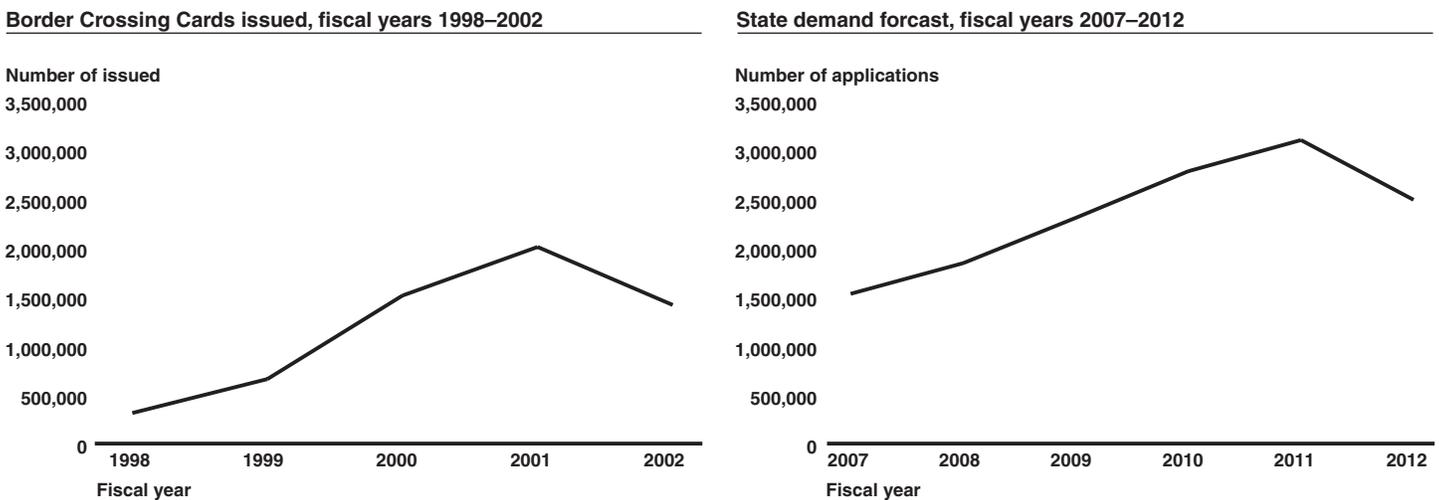
⁷According to the April 2008 final rule on WHTI implementation at sea and land ports of entry, DHS and State believe that these certifications will be made well in advance of the June 1, 2009, deadline for implementation. In the event that DHS and State are unable to complete all of the necessary certifications 3 months before June 1, 2009, the final rule states that they will provide notice to the public and amend the date(s) for compliance with the document requirements. See: *Documents Required for Travelers Departing From or Arriving in the United States at Sea and Land Ports-of-Entry From Within the Western Hemisphere*, Final Rule, 73 *Fed. Reg.* 18,384, 18,386 (Apr. 3, 2008).

⁸State's NIV demand forecasts include Border Crossing Cards, as well as other types of nonimmigrant visas.

discussion of them in our final report, which is scheduled to be completed at the end of July 2008.

State’s forecasts, as of April 2008, anticipate that the upcoming surge in NIV demand will follow a pattern similar to the previous Border Crossing Card surge from fiscal years 1998 to 2002, as shown in figure 1. According to the forecasts, the surge will begin in fiscal year 2008, with missionwide NIV demand peaking at a little more than 3 million applications in fiscal year 2011—a 103 percent increase in demand from fiscal year 2007. The forecasts show the surge beginning to abate in fiscal year 2012.

Figure 1: Comparison of Demand Forecast for Mission Mexico to Border Crossing Cards Issued in Fiscal Years 1998 to 2002



Source: GAO analysis of State data.

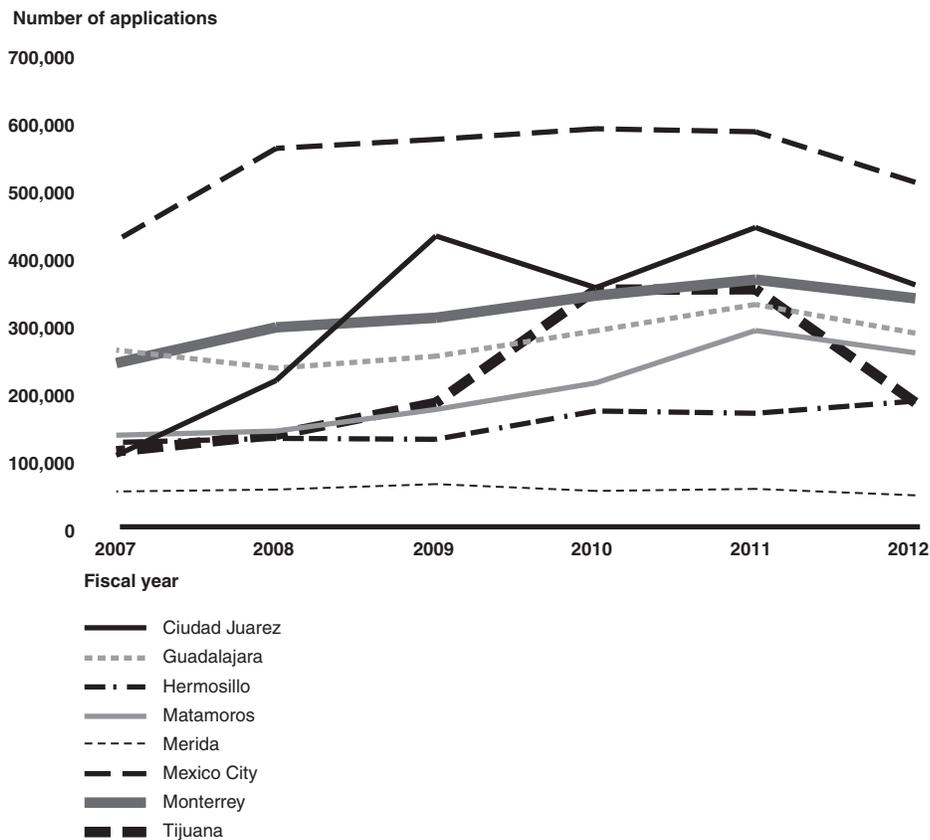
Note: State’s NIV demand forecasts include Border Crossing Cards, as well as other types of nonimmigrant visas. This forecast is as of April 2008.

In addition to the missionwide forecast, State has developed demand forecasts for individual consulates. As shown in figure 2, State’s forecasts anticipate that Mexico City will have the highest levels of demand, with applications growing to over 580,000 in fiscal year 2010. While Mexico City is projected to have the highest overall demand, State anticipates that the steepest increases in demand will occur at border posts.⁹ This follows a

⁹There are five border posts in Mexico: Tijuana, Nogales, Ciudad Juarez, Nuevo Laredo, and Matamoros.

pattern similar to the previous Border Crossing Card surge, where the border consulates assumed a greater share of the total mission workload during the surge, with this share then diminishing again at the surge's end.

Figure 2: Mexico Posts' NIV Demand Forecasts, Fiscal Years 2007 - 2012



Source: GAO analysis of State data.

Note: This forecast is from April 2008 when State's methodology for generating demand forecasts relied upon workload data from fiscal years 1997 and 1998. State was unable to generate its own demand forecasts for the border posts of Nogales and Nuevo Laredo because Nogales was not open and Nuevo Laredo was not issuing visas at the time.

Estimating future NIV demand is inherently uncertain, and State acknowledges that several factors could affect the accuracy of its April 2008 NIV demand forecasts. First, the forecasts are based heavily upon Change Navigators' 2005 *Consular Affairs Futures Study* (CAFS), which

generated NIV demand forecasts for various high-volume and high-growth missions around the globe, including Mexico.¹⁰ Thus, the extent to which the underlying CAFS numbers prove to be accurate affects State's revised forecasts. While the CAFS includes a general analysis of how various demographic, economic, and political factors impact NIV demand across countries, it does not explain how it arrived at its specific forecasts for Mexico. Based upon our review of the forecasts, it appears that the CAFS authors relied primarily upon historical workload data from the previous Border Crossing Card surge, but we could not assess how, if at all, other considerations were factored into the forecasts. Second, methodological issues associated with State's April 2008 NIV forecasts may affect their accuracy in projecting demand. For example, State relied heavily on actual demand data from fiscal year 2007 to revise the CAFS forecasts, in order to try to better account for growth in demand from first-time visa applicants. In doing so, State assumed demand for fiscal year 2007 was representative of the underlying long-term growth in NIV demand. However, this is not necessarily the case, as State officials acknowledge demand may have been artificially high in fiscal year 2007 as posts worked off backlogs that had accumulated from previous years. State officials also noted that they chose to be conservative and assume all Border Crossing Card holders would renew their cards when they expire. However, this is not likely to happen, as a portion of Border Crossing Card holders have had their cards lost or stolen and already had them replaced, while others have either legally or illegally immigrated to the United States and will not be returning to renew their cards. Consequently, the forecasts could prove to be higher than actual demand depending on the share of Border Crossing Card holders who do not seek a renewal at the expiration of their card.

State's approach to forecasting NIV workload, based on historical precedent and underlying growth in demand, and other factors, provide a reasonable basis for addressing the anticipated surge in NIV demand. State has detailed data on the number of Border Crossing Cards issued during the previous surge and when they are expiring, which gives it a strong basis for its projections. Further, even if the NIV forecasts do not prove completely accurate, State officials do not expect significant risks for several reasons. First, State officials believe that the forecasts are

¹⁰State commissioned Change Navigators, a consultancy specializing in business management and organization development, to examine the various factors that impact growth in NIV demand, to identify those countries likely to experience the most rapid growth in NIV demand, and to generate NIV demand forecasts for these countries. Mexico was among those countries included in the study.

conservative, with NIV demand likely to be lower than forecasted. Second, State intends to avoid relying on the exact numbers in the forecasts and is instead using them as a rough guide in developing plans to meet the upcoming surge in NIV workload. Third, State officials believe they have developed these plans with sufficient flexibility to be able to respond as needed if actual workload deviates from the forecasts. Finally, State plans to continually track demand at the consulates as the NIV surge unfolds and will revise these forecasts periodically.

Passport Workload

In addition to the surge in NIV workload, Mission Mexico will also experience a surge in its passport workload as a result of the implementation of WHTI at air ports of entry in January 2007 and its subsequent, intended implementation at land ports in June 2009. According to State officials, the mission has already seen a significant increase in its passport workload as U.S. citizens living in Mexico have begun to apply for passports in response to the new documentary requirements. Mission Mexico's passport and CRBA workload, which State tracks together because both types of applications are handled by consular officers in posts' American Citizen Services units, grew to 34,496 applications in fiscal year 2007, a 77 percent increase from fiscal year 2006. Despite the expected increases, passport workload will continue to be only a fraction of Mission Mexico's workload, relative to NIV applications.

While State expects passport workload in Mexico to continue to increase significantly in the coming years, it is difficult to predict precisely what the magnitude of this increase will be. Unlike with the NIV surge, there is not a clear historical precedent to the WHTI surge. Additionally, there is a great deal of uncertainty regarding the number of U.S. citizens living in Mexico and the number of these citizens who are potential passport applicants. Therefore, efforts to forecast increases in passport workload due to WHTI are extremely challenging. Nonetheless, State has developed rough estimates of Mission Mexico's passport and CRBA workload with the implementation of WHTI. These estimates are based on the input of experienced consular officers because the lack of data on U.S. citizens living in Mexico made any type of statistical analysis problematic. Based upon State's estimates, Mission Mexico's WHTI workload is projected to peak at 73,000 passport and CRBA applications in fiscal year 2009 with the implementation of WHTI at land ports of entry. State anticipates that passport and CRBA workload will continue at that peak rate in fiscal year 2010 and then begin to decline. In its estimates, State predicts that from fiscal years 2007 to 2009, workload will increase by around 177 percent for Mission Mexico.

To this point, State has not revised its WHTI estimates based on workload in fiscal year 2007, or year to date in the current fiscal year, even though the workload estimates were low in fiscal year 2007. State says it has not needed to revise its estimates at this point, because posts have been able to keep up with workload increases without the need for additional resources. In addition, rather than focusing on developing precise workload estimates in order to prepare for the surge, State has instead chosen to pursue strategies designed to provide it with the flexibility to respond to increases in workload as they occur—particularly as a more limited number of resources will be needed to cover increases in passport and CRBA applications than NIV applications, given their small share of Mission Mexico’s overall consular workload.

State Is Adding Interviewing Windows and Temporary Adjudicators to Posts in Mexico to Keep Pace with Projected Workload Increases

To keep pace with the expected NIV renewal surge, State is increasing the total number of hardened interview windows in the consulates’ NIV sections by over 50 percent before the demand peaks in 2011.¹¹ State added windows to the consulate in Hermosillo in fiscal year 2007 and will soon be adding windows to the consulates in Monterrey and Mexico City.¹² In addition, new consulate compounds in Ciudad Juarez and Tijuana will result in additional windows for adjudicating NIV applications.¹³ The new facility in Ciudad Juarez is set to open in September 2008, and construction on the new building in Tijuana began this past April. Once completed, these projects will provide Mission Mexico with the window capacity to interview about 1 million additional NIV applicants per year.¹⁴ Table 1 compares the number of interview windows available in fiscal year 2007 to the number that will be available by fiscal year 2011, when NIV demand peaks.

¹¹These interview windows must conform to State’s security standards to keep U.S. officials behind a hard line. A hard line is a system of barriers surrounding a protected area, which may afford degrees of forced entry, ballistic resistance or blast protection.

¹²Hermosillo received a consular upgrade, which added eight hardened interview windows along with improvements to the waiting area, at a cost of \$5.5 million. The estimated costs of adding windows to Monterrey and Mexico City are \$1.3 million and \$1.1 million, respectively.

¹³The estimated costs of new compounds in Ciudad Juarez and Tijuana are \$96 million and \$92.7 million, respectively.

¹⁴State assumes that adjudicating officers would typically conduct 23,400 interviews of NIV applicants per window per year. This number varies depending on the conditions at individual posts.

Table 1: NIV Interview Windows in Fiscal Years 2007 and 2011

Post	Number of NIV windows in FY 2007	Number of NIV windows in FY 2011	Expected date for additional windows
Ciudad Juarez	11	23	September 2008
Guadalajara	10	10	
Hermosillo	13	13	
Matamoros	7	7	
Merida	4	4	
Mexico City	15	23	August 2008
Monterrey	10	26	February 2009
Nogales	6	6	
Nuevo Laredo	7	7	
Tijuana	14	30	September 2010
Total	97	149	

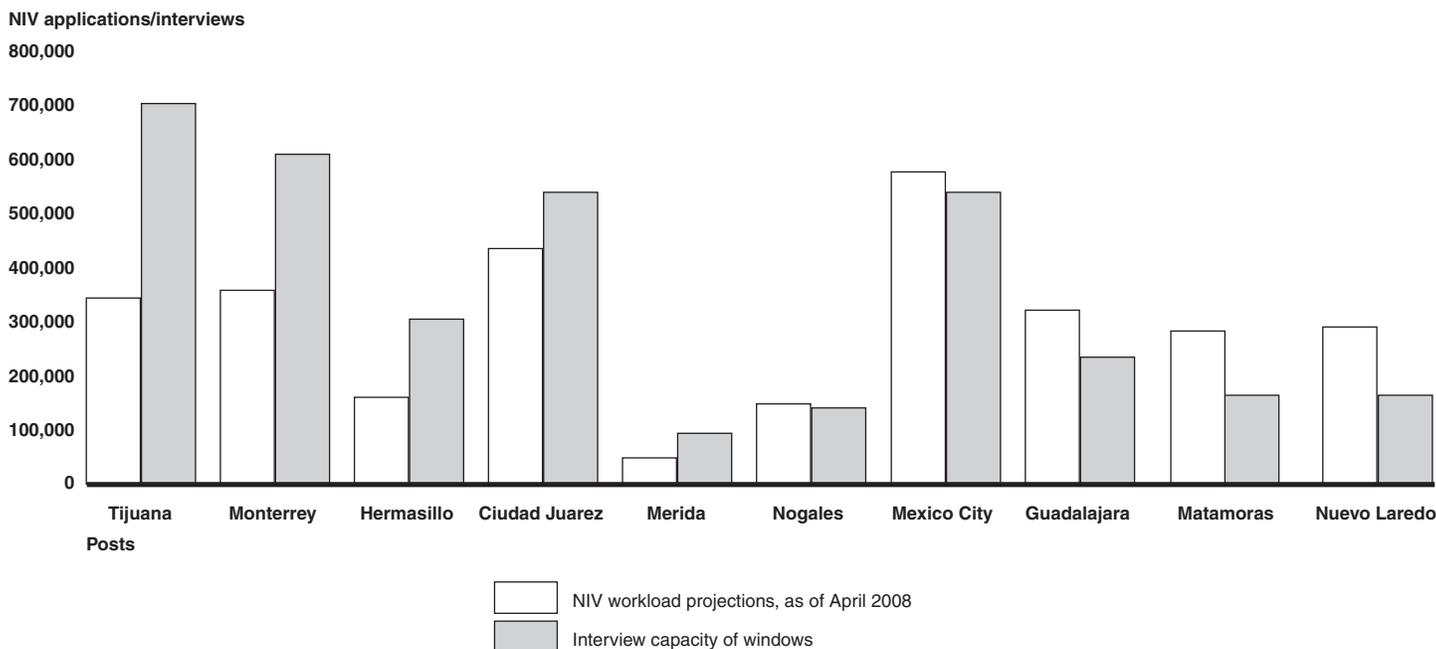
Source: GAO analysis of State data.

Note: Some of these windows are typically reserved for enrollment functions as part of the visa application process, which would limit their availability for interviewing applicants. The new facility in Ciudad Juarez will have 89 windows available for NIV and immigrant visa adjudications, although State estimates that Ciudad Juarez will need only 23 of these windows for NIV applicants.

Consulate officials at the posts we visited generally expressed confidence that they will have sufficient window capacity to keep pace with the expected NIV demand and avoid excessive wait times for interviews beyond State’s standard of 30 days. As shown in figure 3, our analysis of expected window capacity also indicates that Mission Mexico generally appears to have enough window capacity to keep pace with projected demand, based on the April 2008 projections. However, State officials acknowledge that two posts, Nuevo Laredo and Matamoros, will not have adequate window capacity during the NIV surge. Consequently, NIV applicants may face longer wait times for an interview appointment at these posts. State officials noted that individuals who would typically apply at one of these two posts will have the option to schedule appointments at the relatively nearby consulate in Monterrey, which is expected to have excess window capacity during the surge in demand. At other posts, the potential shortfall in window capacity, reflected in figure 3, appears to be small enough that it can likely be managed by extending hours that windows are open, if necessary. Although Guadalajara also appears to have a significant shortfall, consular officials there believe the post should be able to absorb the increased workload with the number of

windows available as long as they have enough staff to work the windows in shifts to keep them open all day, if necessary.¹⁵

Figure 3: Comparison of Projected NIV Demand to NIV Window Capacity in Fiscal Year 2011



Source: GAO analysis of State data.

Note: Window capacity is based on State's estimate of an average of 23,400 interviews of NIV applicants per window per year (number of windows, multiplied by 23,400). Workload projections are as of April 2008 and were generated by State, with the exception of Nuevo Laredo and Nogales. Consular Affairs did not have sufficient data to generate its own projections for these two posts and, therefore, relied on projections from the CAFS.

State Plans to Hire Temporary Adjudicators

In addition to the increase in hardened windows, Mission Mexico requires a significant increase in adjudicators over the next few years. Based on NIV and passport workload projections, provided in April 2008, State

¹⁵Officers in high-demand posts in Mexico, such as Guadalajara and Mexico City, are expected to conduct 120 interviews per day (20 interviews per hour at windows 6 hours per day). If windows are kept open 8 hours, window capacity could be expanded well beyond State's estimate of 23,400 interviews per year. Assuming windows are open 200 days a year, 20 interviews per hour for 8 hours would result in 32,000 interviews per window, per year.

estimates it will need 217 adjudicators throughout Mission Mexico in fiscal year 2011, which is the expected peak year of the surge in NIV demand.¹⁶ This number is an increase of 96 adjudicators, or about 80 percent, over the number of adjudicator positions in place in fiscal year 2007. State may revise its staffing plans as it generates updated forecasts.

State plans to meet its staffing needs during the expected workload surge primarily by hiring a temporary workforce of consular adjudicators that can be assigned to posts throughout Mission Mexico, depending on each post's workload demands. Figure 4 shows the number of temporary adjudicators and career adjudicators planned for Mission Mexico in fiscal year 2011. State officials noted that relying on a temporary workforce allows Mission Mexico to avoid having excess staff after the workload surge and reduces costs per staff compared to permanent hires.¹⁷ State has budgeted for about 100 temporary adjudicators to be in place during the surge in workload demand, although State officials noted that these budgeted funds could be reprogrammed if fewer than expected adjudicators are needed.¹⁸ State has already posted the job announcement on its Web site and expected to begin placing these additional temporary adjudicators at posts in fiscal year 2009. State officials noted that they will try to fill slots gradually to help posts absorb the additional staff.¹⁹

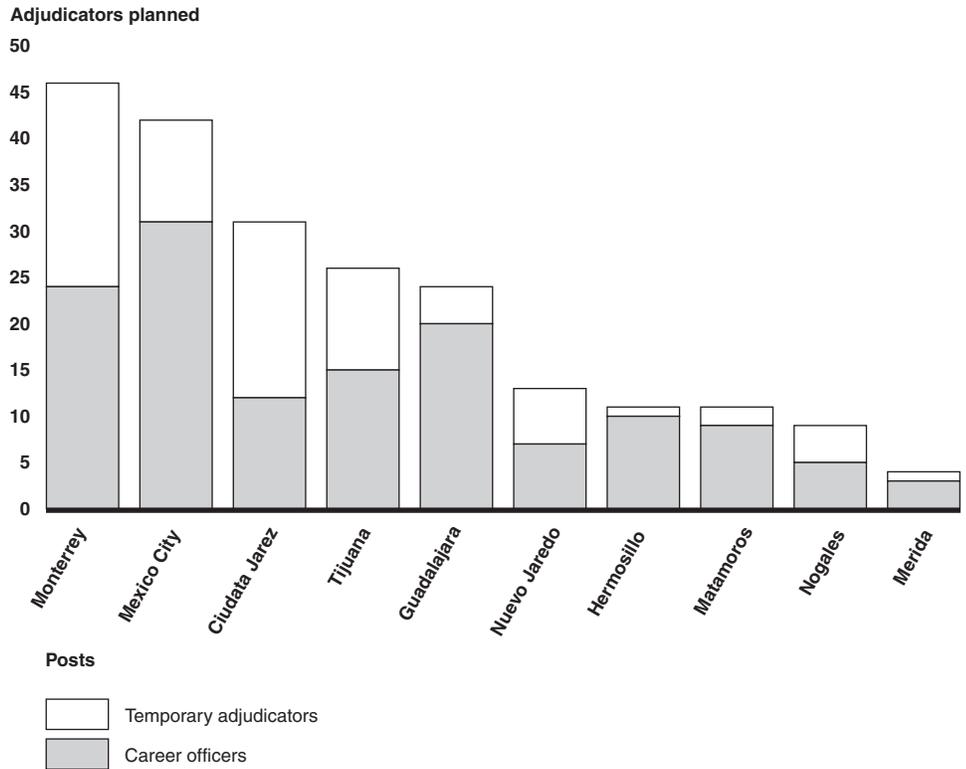
¹⁶State assumes that officers would each typically adjudicate 16,000 NIV applications per year, although productivity varies depending on conditions at a given post, according to State officials. State also assumes that consular officers working in posts' American Citizen Services section would typically handle 2,000 passport applications in addition to other responsibilities, such as emergency services for American citizens.

¹⁷State estimates the first-year costs of each roving adjudicator to be \$120,397 per person, and second-year costs to be \$106,397. According to State, career Foreign Service officers would have first-year costs of about \$400,000 and second-year costs of about \$200,000.

¹⁸Fiscal year 2008 start-up costs were estimated to be about \$6.5 million for this program, with ongoing costs of about \$11.3 million in fiscal year 2009 and \$14.5 million in each of the fiscal years 2010 and 2011.

¹⁹State's plan for temporary adjudicators envisioned hiring 43 adjudicators in fiscal year 2008, 35 in fiscal year 2009, 24 in 2010, and 15 in 2011. According to State officials, no temporary adjudicators have been hired thus far in fiscal year 2008 because Mission Mexico has not yet required them to keep up with workload. Some of the staff hired in the latter years of the surge will be replacements due to turnover.

Figure 4: Temporary Adjudicators and Career Adjudicating Officers Planned for Fiscal Year 2011



Source: GAO analysis of State data.

The temporary hires will be commissioned as consular officers with 1-year, noncareer appointments that can be renewed annually for up to 5 years. They will also receive the same 6-week Basic Consular Course at the Foreign Service Institute²⁰ in Arlington, Virginia, as permanent Foreign Service officers. These individuals must be U.S. citizens, obtain a security clearance, and be functionally fluent in Spanish. Housing in Mexico for the temporary adjudicators will be arranged for by the State Bureau of Consular Affairs in Washington, D.C., through contract services, which

²⁰The Foreign Service Institute is the federal government’s primary training institution for officers and support personnel of the U.S. foreign affairs community, preparing American diplomats and other professionals to advance U.S. foreign affairs interests overseas and in Washington.

will provide greater flexibility to move adjudicators from one post to another, if necessary.

As figure 4 indicates, posts in Monterrey, Mexico City, Ciudad Juarez, and Tijuana are expected to be the heaviest users of temporary adjudicators. Consequently, these posts would be at greatest risk of increased NIV backlogs if temporary adjudicator slots cannot be filled as needed or if their productivity is not as high as anticipated. However, State officials believe they have an adequate pool of potential candidates from among returning Peace Corps volunteers, graduates of the National Security Education Program,²¹ eligible family members,²² and retired Foreign Service officers. These officials noted that they recently began reaching out to targeted groups of potential applicants and have already received strong interest. Furthermore, officials from the posts we visited were confident that State's plan to provide them with additional consular officers would enable them to keep pace with workload demand. Post officials anticipate the same level of productivity and supervision requirements as they would expect from new career Foreign Service officers. The officials noted that new consular adjudicators typically take about 2 months of working the NIV interview windows to reach the productivity levels of more experienced adjudicators.

New Processing Practices May Help Mission Keep Pace with NIV Demand

State began a pilot program in the spring of 2008 at two posts, Monterrey and Nuevo Laredo, to outsource part of the NIV application process, including biometric data collection, to an off-site facility.²³ The pilot is part of an effort by State to establish a new service delivery model for processing visas worldwide in response to long-term growth in demand for

²¹The National Security Education Program provides fellowships to enable graduate students to add a specialization in area study, language study, or increased language proficiency to their graduate education in exchange for a commitment to work for the federal government.

²²"Eligible family members" serve in embassies and consulates around the world. State's *Foreign Affairs Manual* (3 FAM 8212(b)) defines an eligible family member as a U.S. citizen spouse or a U.S. citizen child who is at least age 18, and who, in either case, is on the travel orders of a Foreign or Civil Service employee or uniformed service member permanently assigned to or stationed at a U.S. Foreign Service post or establishment abroad or at an office of the American Institute in Taiwan abroad, and who does not receive a U.S. government retirement annuity or pension based on a career in the U.S. Foreign, Civil, or uniformed service.

²³These off-site facilities are referred to as "Applicant Service Centers."

visas.²⁴ State envisions expanding this model throughout Mexico and other high-demand posts worldwide through a formal request for proposal process. State also envisions the possibility of providing off-site data collection facilities serving NIV applicants in cities that do not have consulates. In Monterrey, the pilot made space available in the consulate facility to add much needed NIV interview windows.

The pilot is implemented by a contractor that handles functions that do not require the direct involvement of a consular officer, including scanning of applicants' fingerprints and passports, live-capture digital photograph, and visa passback.²⁵ Consular officers at these two posts focus on their "core mission" of making adjudication decisions after the contractor has electronically transferred the applicants' application and biometric data. The cost of outsourcing these functions is covered through an additional fee of \$26 paid by the applicants.²⁶ Consulate officials at the posts involved in the pilot are responsible for monitoring the performance of the contractor through the use of surveillance cameras, random visits to the off-site facility, and validation reviews of NIV applications to check for incidence of fraud or incorrect information. According to State officials, the contractor does not have the ability to alter any of the data it collects, and a U.S. citizen with a security clearance is on site to manage the facility. Consular officials in Monterrey stressed the importance of monitoring contractor employees to help ensure they do not coach applicants.²⁷

State officials stated that the department intends to assess the pilot to ensure that the technological challenges of remote biometric data collection and data transfer have been overcome. They will also assess whether the new software involved presents the data to consular officers

²⁴In January 2006, the Secretaries of State and Homeland Security announced the Rice-Chertoff Joint Vision: Secure Borders and Open Doors in the Information Age, which included the goal of developing efficient processes to improve security while facilitating travel to the United States. State has included off-site visa processing as part of this joint vision statement.

²⁵The pilot is being implemented by the company that currently provides a telephone call center and appointment scheduling service to NIV applicants in Mexico. State modified the existing contract with this company to add these additional services. The contract expires on January 31, 2009.

²⁶This fee is in addition to the \$131 visa application fee.

²⁷Contractor employees are prohibited from providing advice or guidance to visa applicants and are not to be involved in the visa decision-making process.

in a user-friendly format to facilitate the adjudication. In addition, State will monitor adjudication rates at the participating posts. State has neither established specific milestones for completing the pilot nor provided us with any metrics that would be part of an assessment of the potential impact on productivity, fraud, or security.

In another step to help posts keep pace with NIV demand, Mission Mexico has also begun to waive interviews of NIV renewal applicants allowable under certain circumstances established by federal law and State regulations. State recently provided guidance to posts worldwide on waiving interviews for certain applicants, following the transition to the collection of 10 fingerprints and technology allowing reuse of fingerprints. The policy only applies to applicants seeking to renew their biometric NIVs within 12 months of expiration. Consular officers retain the discretion to require any applicant to appear for an interview, and no applicant may have an interview waived unless they clear all computer-based security screening. According to State guidance, consular officers will also have the discretion to waive interviews of applicants as part of the off-site data collection model being piloted in Monterrey and Nuevo Laredo, when prints collected off site match with the applicant's fingerprints already in the system. According to State officials, this will be possible beginning in 2009, when Border Crossing Cards issued after 1999 containing biometric data start to expire.

The Monterrey and Ciudad Juarez posts have already begun to waive interviews of applicants renewing NIVs and found significant productivity gains.²⁸ As a result, officers there were able to adjudicate cases more rapidly and better utilize window capacity, according to consular officials. These posts also found no significant difference in denial rates for NIV renewal applicants who were interviewed compared to those whose interviews were waived, although post and Bureau of Consular Affairs officials noted it was necessary to continue monitoring the effect of waiving interviews. These officials also highlighted the need to adjust consular training to be consistent with State's current guidance on waiving interviews under certain circumstances.

²⁸ Monterrey waived interviews of certain NIV applicants as part of a pilot program from August to December 2007. The post discontinued the program after the departure of a cleared U.S. citizen employee who collected and verified fingerprints without requiring the involvement of a consular officer.

Efforts to Meet Increased Passport Demand

Posts in Mexico will also be increasing resources for adjudicating additional passport applications, which are expected to peak in fiscal year 2009. Although the volume of passport applications is much smaller than NIV applications, adjudicating passport applications for American citizens takes precedence over NIV applications. Consular officials at posts we visited noted that because of the uncertainty over future passport demand, they will depend on their flexibility to shift adjudicators from NIV work to passport work, as needed. In addition, consular officials stated they will have the option of using NIV interview windows to adjudicate passport applications—possibly during off hours, if necessary.

In addition, posts are seeking ways to become more efficient in how they process the increasing volume of passports. For example, many posts have recently implemented an appointment system to better manage the flow of passport applicants and have also improved their Web sites to help provide better assistance to applicants, many of whom do not speak English and are applying for passports for the first time. State is also upgrading its software used for passport processing in overseas posts to enable posts to scan passport applications, which they expect will reduce staff resources needed for data entry. Some posts are also considering increased use of consular agents in other locations, such as Puerto Vallarta or Cabo San Lucas, to accept passport applications to help relieve some of the workload for consular staff. In addition, some posts have suggested exploring possibilities for processing passport renewals by mail, which would also help relieve overcrowding.

Concluding Remarks

In anticipation of the expected surge in demand for NIVs and U.S. passports in Mexico over the next several years, State has taken several steps to project workloads and expand the capacity of its consulates to avoid the type of backlogs that have occurred in Mission Mexico in the past. State's efforts to increase the number of hardened interview windows at several of its consulates and hire additional temporary consular officers represent a substantial increase in resources needed to keep pace with the projected surge in NIV and passport workload. As State continues to revise its estimates of future workload, it may need to adjust its plans for increasing these resources to reflect the latest assumptions about future demand for passports and NIVs. The success of the efforts to prepare for the surges in passport and NIV workload is likely to depend on State's ability to fill the roughly 100 slots it has budgeted for temporary adjudicators in time to meet the surge in workload. Several posts in Mexico will rely heavily on these additional staff to keep pace with expected demand for NIVs and avoid excessive wait times for interviews

of applicants. However, State officials have expressed confidence that they will be able to fill these positions with qualified candidates. In addition, Mission Mexico may reap productivity gains from a pilot program to outsource part of the NIV application process at off-site facilities and from State's policy to waive interviews for some renewal applicants; however, these efforts are in their early stages and are not yet widely implemented. Consequently, it would be premature to assess the potential effects of these efforts. We discussed this testimony with State officials, who agreed with our findings.

Mr. Chairman, this concludes my prepared statement. I would be happy to answer any questions you or other Members of the Subcommittee may have at this time.

GAO Contact and Staff Acknowledgments

For further information regarding this testimony, please contact Jess T. Ford at (202) 512-4128 or fordj@gao.gov. Juan Gobel, Assistant Director; Ashley Alley; Joe Carney; Howard Cott; David Dornisch; Michael Hoffman; and Ryan Vaughan made key contributions to this statement.

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