

# THE VISA WAIVER PILOT PROGRAM

---

---



**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON IMMIGRATION  
OF THE  
COMMITTEE ON THE JUDICIARY  
UNITED STATES SENATE  
ONE HUNDRED FIFTH CONGRESS

FIRST SESSION

ON

**S. 290**

A BILL TO ESTABLISH A VISA WAIVER PILOT PROGRAM FOR NATIONALS OF KOREA WHO ARE TRAVELING IN TOUR GROUPS TO THE UNITED STATES

---

JULY 17, 1997

---

**Serial No. J-105-33**

---

Printed for the use of the Committee on the Judiciary



U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1997

44-272 CC

---

For sale by the U.S. Government Printing Office  
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402  
ISBN 0-16-055689-9

PS-201. 2011. 2. 5. 18 7. 4

SENATE COMMITTEE ON THE JUDICIARY

ORRIN G. HATCH, Utah, *Chairman*

STROM THURMOND, South Carolina  
CHARLES E. GRASSLEY, Iowa  
ARLEN SPECTER, Pennsylvania  
FRED THOMPSON, Tennessee  
JON KYL, Arizona  
MIKE DEWINE, Ohio  
JOHN ASHCROFT, Missouri  
SPENCER ABRAHAM, Michigan  
JEFF SESSIONS, Alabama

PATRICK J. LEAHY, Vermont  
EDWARD M. KENNEDY, Massachusetts  
JOSEPH R. BIDEN, Jr., Delaware  
HERBERT KOHL, Wisconsin  
DIANNE FEINSTEIN, California  
RUSSELL D. FEINGOLD, Wisconsin  
RICHARD J. DURBIN, Illinois  
ROBERT G. TORRICELLI, New Jersey

MANUS COONEY, *Chief Counsel and Staff Director*  
BRUCE A. COHEN, *Minority Chief Counsel*

SUBCOMMITTEE ON IMMIGRATION

SPENCER ABRAHAM, Michigan, *Chairman*

CHARLES E. GRASSLEY, Iowa  
JON KYL, Arizona  
ARLEN SPECTER, Pennsylvania

EDWARD M. KENNEDY, Massachusetts  
DIANNE FEINSTEIN, California  
RICHARD J. DURBIN, Illinois

LEE LIBERMAN OTIS, *Chief Counsel*  
MICHAEL MYERS, *Minority Staff Director*

2011. 2. 5. 18 7. 4

# CONTENTS

---

## STATEMENTS OF COMMITTEE MEMBERS

	Page
Spencer, Hon. Abraham, U.S. Senator from the State of Michigan .....	1
Kennedy, Hon. Edward M., U.S. Senator from the State of Massachusetts .....	81
Feinstein, Hon. Dianne, U.S. Senator from the State of California .....	91

## PROPOSED LEGISLATION

S. 290, a bill to establish a visa waiver program for nationals of Korea who are traveling in tour groups to the United States .....	2
--	---

## CHRONOLOGICAL LIST OF WITNESSES

Panel consisting of Hon. Frank H. Murkowski, U.S. Senator from the State of Alaska; Hon. Daniel K. Inouye, U.S. Senator from the State of Hawaii; Hon. Jay Kim, Representative in Congress from the State of California; Hon. George Allen, Governor, Commonwealth of Virginia, Richmond, VA; and Hon. Mazie K. Hirono, Lieutenant Governor, State of Hawaii, Honolulu, HI .....	38
Panel consisting of Mary A. Ryan, Assistant Secretary for Consular Affairs, Bureau of Consular Affairs, Department of State, Washington, DC; Michael D. Cronin, Assistant Commissioner for Inspections, Immigration and Naturalization Service, Washington, DC; and Janet Thomas, director of facilitation, Air Transport Association of America, Washington, DC .....	64

## ALPHABETICAL LIST AND MATERIAL SUBMITTED

<b>Abraham, Hon. Spencer:</b>	
Prepared statement of Bob Miller, Governor, State of Nevada and chair, National Governors' Association .....	14
Letter to Senators Abraham and Kennedy from Tony Knowles, Governor, State of Alaska, dated June 23, 1997 .....	16
Prepared statement of Donald P. Gregg, former U.S. Ambassador to South Korea .....	16
Prepared statement of Tami Overby, executive director, the American Chamber of Commerce in Korea .....	18
Various tables and charts .....	21
Prepared statement of William S. Norman, president and CEO, Travel Industry Association of America .....	27
The Economic Impact of Travel and Tourism on Various States .....	30
Letter to Senators Abraham and Kennedy from Thomas G. Tait, the Western States Tourism Policy Council, dated June 21, 1997 .....	37
Prepared statement of the Airports Council International—North America and the American Association of Airports Executives .....	37
<b>Allen, Hon. George:</b>	
Testimony .....	48
Prepared statement .....	50
Southern Governors' Association resolution .....	51
Western Governors' Association resolution .....	52
Letter to Senators Abraham and Kennedy from the National Governors' Association, dated June 19, 1997 .....	53
NGA policy .....	53
<b>Cronin, Michael D.:</b>	
Testimony .....	68
Prepared statement .....	70

	Page
Cronin, Michael D.—Continued	
Prepared statement—Continued	
Chart 1. Nonimmigrants Admitted by Selected Class of Admission for Countries in the VWPP: Fiscal Years 1988–95 .....	74
Chart 2. Enforcement Statistics for Countries in the VWPP: Fiscal Years 1985–96 .....	75
Chart 3. Enforcement Statistics (per million admitted) for Countries in the VWPP: Fiscal Years 1988–95 .....	76
Hirono, Hon. Mazie K.:	
Testimony .....	55
Prepared statement of Hon. Benjamin J. Cayetano, Governor, State of Hawaii .....	57
Inouye, Daniel K.:	
Testimony .....	42
Prepared statement .....	43
Prepared statement of Hon. Neil Abercrombie, U.S. Representative in Congress from the State of Hawaii .....	44
Kim, Hon. Jay:	
Testimony .....	46
Prepared statement .....	47
Murkowski, Hon. Frank H.:	
Testimony .....	38
Prepared statement .....	40
Ryan, Mary A.:	
Testimony .....	64
Prepared statement .....	66
Responses to questions from Senator Abraham .....	90
Thomas, Janet:	
Testimony .....	77
Prepared statement .....	79

# THE VISA WAIVER PILOT PROGRAM

---

THURSDAY, JULY 17, 1997

U.S. SENATE,  
SUBCOMMITTEE ON IMMIGRATION,  
COMMITTEE ON THE JUDICIARY,  
*Washington, DC.*

The subcommittee met, pursuant to notice, at 3 p.m., in room SD-226, Dirksen Senate Office Building, Hon. Spencer Abraham (chairman of the subcommittee), presiding.

Also present: Senator Kennedy.

## OPENING STATEMENT OF HON. SPENCER ABRAHAM, A U.S. SENATOR FROM THE STATE OF MICHIGAN

Senator ABRAHAM. This hearing will come to order. We are delighted to have everybody here today. This is a hearing with respect to the Visa Waiver Pilot Program [VWPP]. We have a number of important issues to consider in relation to the reauthorization of that very popular program, and I am pleased that we have excellent witnesses to bring us up to date both on what has happened during the program's current establishment and also to talk about where we go from here. I am going to make a few opening remarks and set the stage as to where things are, and then we will turn to the witnesses, since we have no other members here. I believe Senator Kennedy may be joining us after the vote at 3:30, and it is possible that other members will be here as well.

I am going to, as I say, do my opening statement quickly and then we will go to the first panel. We also may be joined by one more panelist, Congressman Kim, who I believe is currently voting on the House floor, and I think he is on his way over after that.

The Visa Waiver Program essentially is a system by which aliens from designated countries may enter the United States as temporary visitors without the visa that would normally be required to enter our country in addition to a passport. Because this very popular program expires at the end of the current fiscal year, on September 30, 1997, the subcommittee will have to consider its reauthorization, along with any changes or modifications that we find should be made to the program.

Also before the subcommittee is Senate bill 290, a Murkowski-Inouye bill to provide special visa waiver treatment for South Korean tour groups entering the country for limited stays of less than 15 days. This hearing presents us with an opportunity to educate ourselves on issues related to the reauthorization of the Visa Waiver Program, as well as the South Korean issue in particular.

[The above-referenced bill, S. 290 follows]:

105TH CONGRESS  
1ST SESSION

# S. 290

To establish a visa waiver pilot program for nationals of Korea who are traveling in tour groups to the United States.

---

## IN THE SENATE OF THE UNITED STATES

FEBRUARY 6, 1997

Mr. MURKOWSKI (for himself, Mr. INOUE, Mr. AKAKA, Mr. STEVENS, and Mr. THOMAS) introduced the following bill; which was read twice and referred to the Committee on the Judiciary

---

## A BILL

To establish a visa waiver pilot program for nationals of Korea who are traveling in tour groups to the United States.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. KOREA VISA WAIVER PILOT PROGRAM.**

4 (a) CONGRESSIONAL FINDINGS.—The Congress finds  
5 that—

6 (1) travel and tourism play a major role in re-  
7 ducing the United States unfavorable balance of  
8 trade;

1           (2) the characteristics of the Korean travel  
2 market do not permit long-term planning for longer  
3 trips;

4           (3) applications for United States visas cannot  
5 now be processed in a reasonable period of time;

6           (4) the Secretary of State has attempted to  
7 solve the problem by adding additional staff to the  
8 consular section at the United States Embassy in  
9 Seoul;

10          (5) unfortunately, these additions have not re-  
11 sulted in any discernible improvement in reducing  
12 visa processing delays;

13          (6) further, it is unlikely, given the current fis-  
14 cal environment, to expect funding to be available  
15 for further staff additions in sufficient numbers to  
16 effect any significant improvement in the time re-  
17 quired to process visa applications;

18          (7) most of the nations of the South Pacific,  
19 Europe, and Canada do not currently require Kore-  
20 ans entering their countries to have a visa, thus pro-  
21 viding them with a serious competitive advantage in  
22 the tourism industry;

23          (8) the United States territory of Guam has  
24 been permitted by the United States Government to  
25 eliminate visa requirements for Koreans visiting

1 Guam, with resultant impressive increases in travel  
2 and tourism from citizens of the Republic of Korea;

3 (9) any application under existing procedures to  
4 add the Republic of Korea, or any other nation to  
5 the group of favored nations exempted from United  
6 States visa regulations, would require many years  
7 during which time the United States could well lose  
8 its competitive advantages in attracting travel and  
9 tourism from the Republic of Korea;

10 (10) the Republic of Korea, as a gesture of  
11 goodwill, has already unilaterally exempted United  
12 States tourists who seek to enter the Republic of  
13 Korea from the requirement of obtaining a visa; and

14 (11) growth in Korean travel to the United  
15 States has not kept pace with growth in travel to  
16 non-United States destinations, and cumbersome  
17 and time-consuming visa processing procedures are  
18 widely recognized as the cause of this loss of market  
19 share and competitiveness with alternative destina-  
20 tions.

21 (b) PILOT PROGRAM.—The Secretary of State and  
22 the Attorney General jointly shall establish a pilot project  
23 (in this section referred to as the “pilot program”) within  
24 six months of the date of the enactment of this Act under



1 which the requirement of paragraph (7)(B)(i)(II) of sec-  
2 tion 212(a) of the Immigration and Nationality Act (8  
3 U.S.C. 1182(a)(7)(B)(i)(II)) is waived during the pilot  
4 program period in the case of any alien who meets the  
5 following requirements:

6 (1) NATIONAL OF PILOT PROGRAM COUNTRY.—

7 The alien is a national of, and presents a passport  
8 issued by, the Republic of Korea. The Republic of  
9 Korea is urged to provide machine readable pass-  
10 ports to its citizens in the near future.

11 (2) SEEKING ENTRY AS TOURIST.—The alien is  
12 applying for admission to the United States during  
13 the pilot program period as a nonimmigrant visitor  
14 for pleasure (as described in section 101(a)(15)(B)  
15 of the Immigration and Nationality Act (8 U.S.C.  
16 1101(a)(15)(B))), as part of a group tour to the  
17 United States.

18 (3) PERIOD OF STAY.—The alien seeks to stay  
19 in the United States for a period of not more than  
20 15 days.

21 (4) EXECUTES IMMIGRATION FORMS.—The  
22 alien before the time of such admission completes  
23 such immigration form as the Attorney General shall  
24 establish.

1           (5) ENTRY INTO THE UNITED STATES.—If ar-  
2           riving by sea or air, the alien arrives at the port of  
3           entry into the United States on a carrier which has  
4           entered into an agreement with the Immigration and  
5           Naturalization Service to guarantee transport of the  
6           alien out of the United States if the alien is found  
7           inadmissible or deportable by an immigration officer.

8           (6) NOT A SAFETY THREAT.—The alien has  
9           been determined not to represent a threat to the  
10          welfare, health, safety, or security of the United  
11          States.

12          (7) NO PREVIOUS VIOLATION.—If the alien pre-  
13          viously was admitted without a visa under this sec-  
14          tion, the alien must not have failed to comply with  
15          the conditions of any previous admission as such a  
16          nonimmigrant.

17          (8) ROUND-TRIP TICKET.—The alien is in pos-  
18          session of a round-trip transportation ticket (unless  
19          this requirement is waived by the Attorney General  
20          under regulations).

21          (c) WAIVER OF RIGHTS.—An alien may not be pro-  
22          vided a waiver under the pilot program unless the alien  
23          has waived any right—

1           (1) to review or appeal under this Act of an im-  
2 migration officer's determination as to the admissi-  
3 bility of the alien at the port of entry into the  
4 United States, or

5           (2) to contest, other than on the basis of an ap-  
6 plication for asylum, any action for deportation  
7 against the alien.

8           (d) TERMINATION OF AUTHORITY.—Notwithstanding  
9 any other provision of this section, the Attorney General  
10 and the Secretary of State, acting jointly, may terminate  
11 the pilot program under this section on or after a date  
12 which is one year after the date of the establishment of  
13 the pilot program if—

14           (1) during the preceding fiscal year, the over-  
15 stay rate for nationals of the Republic of Korea en-  
16 tering the United States under the pilot program ex-  
17 ceeds the overstay rate of such nationals entering  
18 the United States with valid visas; and

19           (2) the Attorney General and the Secretary of  
20 State have jointly determined that the pilot program  
21 is leading to a significant increase in the number of  
22 overstays by such nationals.

23           (e) SPECIAL BOND AND NOTIFICATION REQUIRE-  
24 MENTS FOR TOUR OPERATORS.—

1           (1) IN GENERAL.—Nationals of the Republic of  
2 Korea may not enter the United States under the  
3 terms of this section unless they are accompanied  
4 for the duration of their authorized admission period  
5 by a tour operator who has fulfilled the following re-  
6 quirements:

7           (A) The tour operator has posted a bond  
8 of \$200,000 with the Secretary of State.

9           (B) The Secretary of State, under such  
10 regulations as the Secretary may prescribe, has  
11 approved an application by the tour operator to  
12 escort tour groups to the United States.

13           (C) The tour operator provides the name,  
14 address, birthdate, passport number, and citi-  
15 zenship of all prospective tour group members  
16 to the Secretary of State no less than one busi-  
17 ness day prior to the departure date of the  
18 group, under such regulations as he may pre-  
19 scribe, in order to determine that the prospec-  
20 tive travelers do not represent a threat to the  
21 welfare, health, safety, and security of the  
22 United States.

23           (D) The tour operator excludes from the  
24 tour group any person whom the Secretary of

1 State denies permission to travel to the United  
2 States.

3 (E) The tour operator provides written cer-  
4 tification or other such evidence prescribed by  
5 the Secretary of State and Attorney General  
6 which documents the return to Korea of each  
7 tour group member.

8 (2) FORFEITURE OF BONDS.—Bonds posted in  
9 accordance with this subsection shall be forfeited in  
10 whole or in part and a tour operator's authorization  
11 to escort tours to the United States may be sus-  
12 pended or revoked if the Secretary of State finds  
13 that the tour operator—

14 (A) has failed to disclose a material fact in  
15 connection with the application required under  
16 paragraph (1)(B);

17 (B) fails to comply with the advance notifi-  
18 cation and refusal requirements of paragraphs  
19 (1)(C) and (1)(D);

20 (C) has failed to take adequate steps to en-  
21 sure that visitors who are being escorted to the  
22 United States under the terms of an approved  
23 application return to their country of residence;  
24 or

1 (D) is found at any time to have commit-  
2 ted a felony or any offense under the immigra-  
3 tion laws of the United States.

4 (f) PARTICIPATION BY TOUR AGENTS.—The Sec-  
5 retary of State shall periodically review the overstay rate  
6 of nationals of the Republic of Korea that corresponds to  
7 each tour agent participating in the program under this  
8 section. The Secretary may terminate the participation in  
9 the program of any tour agent if the Secretary determines  
10 that the corresponding overstay rate is excessive.

11 (g) DEFINITIONS.—For purposes of this section—

12 (1) GROUP TOUR.—The term “group tour”  
13 means travelers who take advantage of group-pur-  
14 chased hotel or airfare packages, as guided, super-  
15 vised, and arranged by a tour agent in the Republic  
16 of Korea approved or licensed by the Department of  
17 State.

18 (2) OVERSTAY RATE.—The term “overstay  
19 rate” means, during a specified period of time, the  
20 proportion that the number of aliens remaining in  
21 the United States after the expiration of their visas  
22 bears to the total number of aliens entering the  
23 United States during that period of time.

24 (3) PILOT PROGRAM PERIOD.—The term “pilot  
25 program period” means the three-year period im-

11

10

1       mediately following the establishment of the pilot  
2       program.

○

Senator ABRAHAM. The history of the Visa Waiver Program is straightforward. Congress created it in 1986 in the immigration bill that was passed that year. It became effective in 1988 and was originally limited to eight countries and for a duration of 3 years. Now 25 countries participate in the program and its authorizing statute has been amended and extended five times, which is, I think, a tribute to the program's success.

The program has typically been extended for 2- or 3-year periods, with some modifications to the program being included from time to time, but last year's immigration reform law, the Illegal Immigration bill of 1996, extended the Visa Waiver Program for only 1 year, through September 30, 1997. This was done so that we could consider issues related to the program in more detail and apart from the multitude of immigration issues that Congress was considering last year as part of the broader bill.

Most of our witnesses here today will be familiar with the general operation of the program. Under it, the Attorney General, in consultation with the Secretary of State, may waive the visa requirements for aliens traveling to the United States from certain countries as temporary visitors. Visits can be for up to 90 days and for either business or pleasure. Those aliens would otherwise require a so-called B visa in order to enter the United States, but for aliens from countries under this program that requirement is waived.

Aliens who enter the United States under the Visa Waiver Program do face certain restrictions. Unlike other B visitors, they may not petition while within the United States to change their immigration status, and they may petition to extend their stay for only emergency reasons. Also, those aliens remaining in the United States in violation of the provisions of the waiver program become deportable with no judicial review, and Visa Waiver Program aliens may not seek review of an immigration officer's determination made at the time of entry that they are inadmissible.

In terms of country eligibility, the program countries are now selected by the Attorney General, in consultation with the Secretary of State, a change that was instituted through last year's immigration reform law. In order to be eligible, countries must meet a number of statutory requirements which aim to ensure that aliens admitted under the program are generally low-risk and will not overstay their authorized period of stay in the United States.

To be admitted into the program, countries must have a low non-immigrant visa refusal rate of 2 percent on average over the previous 2 fiscal years, and must show that the refusal rate did not exceed 2.5 percent in either year. They must have or be developing a machine-readable passport program, must offer reciprocal visa-free travel to U.S. citizens, and must be found by the Attorney General not to be compromising U.S. law enforcement interests.

Once designated as a program participant, a country may be placed on probation if it does not maintain a low disqualification rate. The disqualification rate represents the percentage of nationals from a country who applied for admission to the United States at a port of entry as nonimmigrants and who either violated the terms of their nonimmigrant visa, were excluded from admission upon trying to enter, or withdrew their applications for admission.



While the program has certainly furthered international travel and tourism and has generally been heralded as a great success, we do have a number of significant issues to consider in conjunction with the operation of the program, and I look forward to hearing today's testimony on those matters.

The first and most important question is simply whether the program should be reauthorized. While I do not expect to hear any of our witnesses testify that the program should not be reauthorized, we will receive some insights on whether the program should be reauthorized on a permanent or on a temporary basis. I look forward to hearing the views of our witnesses as to what length reauthorization should be for U.S. security and for other similar issues.

A second more serious issue involved in the reauthorization is how we can improve the current record of tracking and even counting visa overstayers. Recent estimates by the INS earlier this year not only put the number of illegal aliens in the U.S. at 5 million, a shocking figure in itself, but also estimated that 41 percent of that illegal alien population entered legally, but overstayed their authorized period of stay.

In order to address illegal immigration in this country, we simply have got to do a better job of tracking overstayers and enforcing the terms under which aliens are permitted to enter. The statutory provisions of the waiver program that I just mentioned, such as an alien who overstays his or her 90-day period of stay will be deportable without judicial review, are certainly laudable in theory. But the reality in practice is that we have no way of tracking those who overstay, and the INS, in fact, has found it virtually impossible to do so.

We recently learned that the INS cannot accurately assess overall numbers of those who enter legally and overstay, despite the current use of an entry-exit matching system through the so-called I-94 cards. I hope today we will hear from the INS as to how this has occurred, how we have gotten into this position, whether it can be fixed, and what we can better do to improve the tracking process.

We also need to look further into ways in which we can track individual visa overstayers. Frankly, this should not be a herculean task, given that we already collect information from those who are entering the country legally. We welcome the views from the Government witnesses. Later on we will be hearing from the airlines' representatives on this important matter.

We would also welcome hearing about the INS' progress in establishing an automated entry-exit control system, which was mandated in last year's illegal immigration reform bill. That law requires the INS to establish, by September 30, 1998, an automated entry-exit control system that will both match arrival and departure records for aliens and that will permit the Attorney General to identify individual overstayers through on-line screening. An update on the INS' progress will be very informative.

Finally, we will also address the related issue of South Korea. As I mentioned, Senators Murkowski and Inouye, along with Senators Stevens, Akaka, and Thomas, have introduced a bill that would permit South Koreans traveling in tour groups to the United States to participate in a special visa waiver program, which is modeled

on the Visa Waiver Program that we currently have, but which includes particular safeguards and limitations. We may be joined, as I said, by Congressman Kim, who has introduced legislation in the House that would grant full visa waiver status to South Korea.

I believe that if the current trend continues, South Korea will be admitted into the Visa Waiver Program as a fully participating country in a short period of time, based on the success record to date. Some argue that in the meantime, there should be a special temporary visa program to facilitate tour group travel in the United States, and so we look forward today to hearing from our witnesses on their views in terms of the need for this sort of program.

In addition to the witnesses we will hear from today, we also have some submissions to be placed in the record. At the outset I would like to place in the record a statement by Governor Bob Miller of the State of Nevada. He is also the chairman of the National Governors' Association. Governor Miller had been scheduled to testify today, but unfortunately cannot be here due to a last-minute scheduling conflict. So I am pleased that we have his statement to include in the record today.

I understand, also, that Senator Murkowski has statements to place in the record from Governor Knowles of Alaska and from Donald Gregg, the former U.S. Ambassador to South Korea, and so we will include those in the record as well.

[The prepared statements of Governors Miller and Knowles and Ambassador Gregg follow:]

PREPARED STATEMENT OF BOB MILLER, GOVERNOR OF NEVADA AND CHAIR,  
NATIONAL GOVERNORS' ASSOCIATION

Mr. Chairman and members of the subcommittee.

I am pleased and honored to be allowed this opportunity to give testimony on the nonimmigrant visa waiver program.

There are few, I think, who would argue with the assertion that since its inception in 1988, the visa waiver pilot program has proven to be a phenomenal success. Approximately half of the international visitors who arrive in the United States do so under the auspices of the visa waiver pilot program. It has made the machinery of our federal government run more efficiently, freeing officials from much superfluous visa processing work and allowed them to focus on curbing more serious threats to our immigration policies. It also has saved U.S. taxpayers an estimated \$175 million in visa processing costs.

But it has been the economic benefits we have realized from this program that provide the most compelling argument for making the visa waiver program permanent and for immediately expanding it to include South Korea.

Korea is currently the world's 11th largest economy, and is projected to be the 7th largest by 2020, with a GNP of some \$4 trillion. With a mean annual household income of \$59,800, the South Koreans are a people with large amounts of discretionary income. (And, I might add, little economic motivation to immigrate to the United States, legally or otherwise.)

It is important to note that approximately 8 percent of the Korean population traveled overseas in 1995. They spent about \$1 billion in the United States, over \$2,000 per trip, excluding airfare. To get some idea of how rapidly the South Korean economy is growing, consider that in 1988, 3.4 million of its citizens traveled abroad. By 1994, that number had increased by five times.

But, as I learned firsthand on a recent visit to Seoul, those who make the trip to our shores face some serious obstacles. Those impediments are due primarily to the fact that their nation is not part of the visa waiver program. Despite the efficiency and hard work of the staff of the U.S. consulate, waits of two weeks or longer for visa processing are not unheard of. The huge volume of work has resulted in some unfortunate incidents. The recent refusal of a visa to the sister of the Korean president and the daughter of the prime minister was an embarrassment, and an affront to a nation with great economic and political importance.

These difficulties have a significant and direct bearing upon the outbound South Korean travel market. For example, it is a fact that some 12–15 percent of all international visitors to the U.S. come as part of an organized tour group. However, as I observed during my visit, South Korean tour operators are less than enthusiastic about selling tours to the United States. Why? Because of the excessive paperwork involved in processing visas, and the possibility that individual members of their group may be denied. Since tour operators must reserve and guarantee lodging and transportation well in advance from American suppliers, a few unexpected visa denials can make the difference between a profitable trip and a loss. Many tour operators, then, prefer to avoid the risk by simply avoiding the United States.

This unfortunate consequence results in lost opportunity for America's \$467 billion per year tourism industry, \$84 billion of which is international.

It is estimated that lowering the existing barriers to Korean visitation would increase arrivals by about 200,000 the first year, generate \$400 million in new spending and create 10,000 new jobs. Currently, the United States is losing large shares of the South Korean tourism market to some 44 other nations, which have already relaxed restrictions on admitting Korean citizens—countries such as Canada, France, Germany, Great Britain and Australia, the latter of which registered an astonishing 45 percent increase in the volume of South Korean visitors between 1995 and 1996. The United States is the third leading country in terms of its share of the international tourism market. Removing onerous travel restrictions on citizens of friendly countries such as South Korea would go far to move the United States into the first place, which it should rightly hold.

With regard to specific pending legislation, I would offer qualified support for Representative Jay Kim's HR 203, which would grant visa waivers to South Korean tourists and business people for a one-year trial period. I regard this bill as a positive step in the correct direction. However, I must concur with the position of the Travel Industry Association of America, which has quite correctly pointed out that allowing only one year to develop and implement a new visa waiver program—employing sophisticated and largely untested electronic devices and software—is wholly inadequate. A three- to five-year test period would be much more realistic.

I caution against the passage of HR 627 and S 290, which would waive visa requirements only for South Koreans traveling with a group tour operator. This legislation would exclude business travelers, and we must agree with Representative Kim, who termed such a discriminatory measure "an insult" to the South Korean people. In purely economic terms, we believe that excluding business travelers is a serious mistake, given the fact that many western cities are currently attempting to expand their share of the business, convention and incentive travel markets, and others are seeking to increase business with the nations of the Pacific Rim, where South Korea is a significant economic force.

Mr. Chairman, I believe that the issue at hand is one that will have a profound economic impact on the economy of our nation for several decades to come. While domestic tourism continues to grow slowly and steadily, the greatest potential for growth in what will eventually become our nation's largest industry must come from overseas—from new industrial powers such as South Korea.

When many people think of the tourism industry, they think of large airlines, towering luxury hotels and exciting amusement parks. But those are just the industry's most visible trappings. It is an industry of small businesses; a small antique store run by a retired couple; a service station owner whose business picks up enough from the passing tour buses that he is able to purchase and restore a historic old hotel. For many of the small towns across America that lost the one big factory that had sustained their community, tourism has been their salvation; a means to stabilize their lives.

For the Western United States, travelers from the Pacific Rim and other overseas destinations will be an important part of the strategy for rebuilding the deteriorating infrastructure in our national parks, forests and other public recreational lands. It is visitor dollars that will fund the needed road and bridge repairs, visitor facilities and wildlife and land conservation projects.

The National Governors Association joins the Western Governors Association, the Southern Governors Association, the Western States Tourism Policy Council and numerous other governmental and business organizations in urging you to make the visa waiver program a permanent one—or, at the very least, to reauthorize the visa waiver pilot program for another 3–5 years—and to include South Korea as a participant.

In conclusion, I thank you Mr. Chairman, and the distinguished members of the subcommittee for the opportunity to be heard today.

STATE OF ALASKA,  
OFFICE OF THE GOVERNOR,  
Washington, DC, June 23, 1997.

Hon. SPENCER ABRAHAM,  
*Chairman, Subcommittee on Immigration,  
Committee on the Judiciary, U.S. Senate,  
Washington, DC.*

Hon. EDWARD M. KENNEDY,  
*Ranking Member, Subcommittee on Immigration,  
Committee on the Judiciary, U.S. Senate,  
Washington, DC.*

DEAR CHAIRMAN ABRAHAM AND SENATOR KENNEDY: I am writing to support permanent reauthorization of the Visa Waiver Pilot Program (VWPP), and extension of the VWPP program to the Republic of Korea as proposed in S. 290.

The VWPP, implemented in 1988, has enjoyed tremendous success. Twenty-five nations have qualified under the program. This has resulted in significant visitation increases to the United States, as well as major cost savings to the federal government. In fact, more than 50 percent of all foreign travelers to the U.S. come under the VWPP.

The State of Alaska also seeks your support for expediting extension of the VWPP to the Republic of Korea (ROK). South Korea's visa refusal rate is rapidly dropping to the 2 percent level at which point the country would automatically qualify for the program. Despite the increased number of nonimmigrant visas processed—from 65,000 to 550,000 visas in the last 10 years—the ROK's refusal rate has dropped sharply from 6.3 percent in Fiscal Year 1995 to 2.87 percent in Fiscal Year 1996. However, it will take at least another three years, at best, because of reporting delays and statutory requirements, for the ROK to be eligible for visa-free status. Legislative action to expedite extension of the VWPP to the ROK would prevent Alaska and other states from continuing to lose tourism and investment market share from that country.

The ROK is the eleventh largest economy in the world, in terms of gross national product and trade volume. South Korea is Alaska's second largest trading partner, importing \$463 million worth of Alaska goods last year including oil and gas, seafood and minerals. With its population of 46 million, some 5,000 tourists visit Alaska annually, many on the direct air route between Anchorage and Seoul operated by Korean Air Lines. Koreans living in Alaska are incredibly productive citizens who contribute in a major way to Alaska's cultural diversity.

Studies show easing the visa requirements would increase visitor rates to Alaska nearly tenfold. Korean travel rates are skyrocketing, but the complicated U.S. visa application process causes significant delays for South Korean visitors and has led them to choose the many other countries with friendlier entry requirements as their destinations. Presently, there are 48 nations—such as Canada, Germany and the United Kingdom—that have no visa requirement for South Korean visitors. Consequently, data shows that many Koreans instead choose to travel to and invest in those destinations rather than in the United States. While total outbound travel from Korea has grown 246 percent since 1988, outbound travel to the U.S. during the same time period grew at a much slower rate of 178 percent.

The visa requirement is not an immigration issue but an economic barrier that restricts trade and tourism between Korea and the United States. It is for this reason that the National Governors' Association, the Southern Governors' Association, and the Western Governors' Association have adopted resolutions to extend visa-free status to the Republic of Korea, and to approve permanent reauthorization of the overall Visa Waiver Pilot Program. I was honored to have played a part in two of these resolutions and to learn more about this issue firsthand during my trade mission to Korea last fall.

Thank you very much for your consideration of my views.

Sincerely,

TONY KNOWLES,  
*Governor.*

---

PREPARED STATEMENT OF DONALD P. GREGG, FORMER U.S. AMBASSADOR TO SOUTH KOREA

I am delighted to be given this opportunity to testify on behalf of Senator Murkowski's bill, S. 290, to establish a visa waiver pilot program for South Koreans who are traveling with tour groups to the United States.

As background, I bring the following experience to the issue. I served as American Ambassador to Korea from September 1989 until the end of February 1993. During that period, I did all that I could to make it easier for Koreans to receive visas to travel to the United States. I had the full support of the Consul General at that time, Edward Wilkinson, and we accomplished a good deal, given the resource restraints that were placed upon the Embassy by the Department of State.

Visa issuance had been a highly contentious issue well prior to my arrival in Korea. Long lines of Koreans were wrapped around the Embassy everyday, and the overall question of visa issuance was looming as a difficult issue between our two countries. I soon came to understand that this situation would only get worse since the Korean Government—reflecting the new levels of prosperity achieved in Korea during the 1980s—was in the process of relaxing the previously stringent restrictions it had placed on those citizens wanting to travel abroad.

In my view, this enlightened step by the Korean Government made it appropriate for the Embassy to do all that it could to reciprocate, by streamlining our visa-issuance procedures. This we attempted to do. Consul General Wilkinson, working with his staff, devised many ingenious methods which kept the essential screening requirements in place, but streamlined the processes. Embassy officers on the visa line worked very hard, under difficult circumstances, to improve the system.

A major substantive, as well as public relations, issue confronting us was the fact that the vast majority of American visas were issued only in Seoul. This made it necessary for the citizens of Pusan, Korea's second city, (and every other city in Korea, for that matter) to travel to Seoul to get a visa. The Japanese were issuing visas in Pusan, and it was said that thousands of Koreans, who wanted to travel to the United States for tourism, chose to go to Japan instead primarily because it was so much easier, and cheaper, to get a visa for Japan. It could take three days or more for a Pusan citizen to get a U.S. visa in Seoul, and the costs involved were considerable, involving transportation, meals and lodging.

I raised this issue with the appropriate office in the Department of State, and was given no encouragement, or funds, to establish visa issuing procedures in Pusan. We decided to see what we could do, even within these restrictions. With strong assistance from U.S. Forces Korea, who gave us free access to key equipment and communications lines, and through the cooperation of Consular personnel, both in Seoul and Pusan who were willing to do "the extra thing," we began to issue tourists visas in Pusan. The volume increased to the point that for the first time direct commercial air flights were scheduled from Pusan to Honolulu. This was in direct response to the large numbers of Pusan citizens who decided to fly to Hawaii, and many of them went on to Mainland USA, simply because they were able to get a U.S. visa easily in their hometown.

We calculated at the time that each Korean citizen traveling to the United States spent approximately \$2,000 in America, in addition to airfare. The Pusan flights alone were thus making a considerable contribution to strengthening our economy. When I finished my tour as Ambassador, I was as proud of what we had done to increase visa issuance as I was of anything else I had accomplished during my tour.

All this came to an end after I left. An "inspection team" from the Department of State was critical of what we had done. Visa issuance in Pusan ended, procedures in Seoul were made more arduous and the visa lines winding around the Embassy building in Seoul once again began to grow longer.

The Consular employees in Seoul, those "on the firing line" issuing visas, have done their best to cope. My quarrel is not with them. It is with those in Washington, for reasons best known to themselves, chose to undo what we had done.

"Visa fraud" is the main reason cited for the re-imposition of more restrictive procedures. In this case, facts and figures on so-called non-returnee and rejection rates provide only murky evidence at best. What is crystal clear, however, is that the vast majority of Koreans today do not wish to stay in the U.S. "at any cost" since there are more attractive opportunities for them at home. In fact, many who had emigrated to this country in earlier decades are deciding to return home in response to the enhanced level of affluence and the strengthened democratic procedures enjoyed in Korea today.

"Fear of terrorism" was another reason cited. South Korea poses no threat whatsoever to the United States in this area. It is one of our closest and most trusted allies, and its anti-terrorist screening procedures are among the best in Asia.

The time has come to recognize realities in Korea. Koreans want to come to America. They enjoy their visits, they buy American goods, and they return home. We should do all we can to aid and support this healthy, friendly process. Senator Murkowski's bill is a step in the right direction, and I fully support it. In so doing, I am confident that once S. 290 proves itself as a valid piece of legislation, it will be easier to broaden the pilot programs so that it applies to all Koreans desiring to

come to the United States for tourism, business, education, medical treatment, or whatever.

In closing I want to say that I have been very surprised to learn that at least one senior Embassy officer, who recently served in Seoul in the Consular Section, is against a visa waiver program. I am told that he came back to Washington angry and fed up with what he had to contend with in Seoul. I know this man, and respect him. I believe that he is suffering from a sort of "combat fatigue" resulting from having to administer and enforce an outdated system, that puts everyone under great pressure—those seeking visas as well as those issuing them. The number of anguished calls I receive in my current capacity as Chairman of The Korea Society on visa matters that clearly should have been resolved with no problem is a clear indication of a cumbersome system that serves neither country's interest. Waiting in long lines for a visa does not bring out the best in anyone, including Koreans. And those Consular Officers having to deal with endless lines of often irate Koreans have my deepest sympathy. They do their best, and deserve credit. Beyond that, they deserve relief.

We have a chance to move along a process that cries out for reform. Let us not miss this opportunity.

Thank you very much.

Senator ABRAHAM. Finally, we will also place in the record statements submitted to the subcommittee from the American Chamber of Commerce in Korea, the Travel Industry Association of America, the Western States Tourism Policy Council, and the Airports Council International, all of which have been requested, and we are more than happy to include.

[The prepared statements referred to follow:]

PREPARED STATEMENT OF TAMI OVERBY, EXECUTIVE DIRECTOR, THE AMERICAN CHAMBER OF COMMERCE IN KOREA

Mr. Chairman and Members of the Committee:

Thank you very much for the opportunity to share the views of our members on this important issue. The American Chamber of Commerce in Korea represents over 800 companies and 1,800 members. These companies range in size from very large like General Motors, Hewlett Packard, and Intel to small independent firms.

I am pleased to tell you that American business is doing very well in Korea. I'm sure you are all aware that Korea is the United States' fifth largest export market and seventh largest overall trade partner. Last year, we did in excess of \$50 billion of two-way trade between our countries. That represents a lot of American jobs as a result of this dynamic trading relationship.

Korea's success is also represented in the fact their economy is now the eleventh largest in the world. Many experts predict Korea will be among the top seven economies of the world by the year 2010. They recently joined the Organization for Economic Cooperation and Development (the so called "Rich Country's Club") and are active participants in the World Trade Organization and the Asia Pacific Economic Cooperation.

I have been an active member of the Chamber for over nine years and during that time the Early Entry Into the Visa Waiver Pilot Program has been the largest single U.S. issue facing our members. Although our Embassy staff are doing an incredible job, and please let me emphasize that point again, the staff at the U.S. Embassy in Seoul are the among the very best in the world. They work long hours under very difficult conditions to help promote U.S. trade. They continue to process more non-immigrant visas in Seoul than any other consulate in the world. Last year they processed over 550,000 non-immigrant applications and they expect to do over 750,000 this year; all this with no appreciable increase in resources. I would also be remiss if I did not mention how responsive the consular affairs people have been at the Department of State over the last four years. They have worked very hard to find additional resources and most important; creative, new ways to process more applications with little additional resources.

The reality of the situation is that no matter how many applications they process, there are more and more Koreans choosing other destinations simply because our process is too onerous and time consuming. Consider the fact that sixty two countries around the world have already given Korea visa waiver status and other countries like Australia actually have the airlines issuing the visas in less than twenty four hours. Even though the U.S. is still the destination of choice, many Koreans are choosing other destinations because of the ease of travel.

Many people were surprised when the American Chamber started actively promoting early entry for Korea in the VWPP four years ago. But when you look at the facts, it is very clear that the U.S. visa process is an impediment to U.S. trade. Chamber members who live and work in Korea strongly believe it would be in the best interests of the United States for Korea to be awarded early entry into the VWPP.

Every American businessperson in Korea has heard visa nightmare stories about companies losing a big deal because they were not able to get the Korean buyer a visa fast enough. Today's business environment is extremely competitive and Korea's other trade partners are aggressively taking advantage of our visa difficulties.

Koreans have the highest rate of giving up their U.S. citizenship among foreigners who have immigrated to the U.S. The number of Koreans applying to immigrate to the U.S. has also dropped significantly. The American Chamber of Commerce in Korea believes it would be in the best interests of the United States for Korea to be admitted to the VWPP as soon as possible. We believe it is bad business to ask your seventh largest trading partner to wait.

Thank you very much for your consideration and I would be happy to answer any questions.

---

TAMI OVERBY, HILLSIDE VILLAGE, C-6, ITAEWON-DONG, YONGSAN-KU, SEOUL, KOREA

#### PROFESSIONAL EXPERIENCE

American Chamber of Commerce in Korea, Seoul, Korea 1995–Present, Executive Director

- Manage day to day activities of the organization, which is 3rd largest Chamber in Asia
- Increased membership of over 800 companies and 1,900 individuals by 17 percent
- Supervise staff of 10 employees in a dynamic multinational environment
- Responsible for annual budget in excess of \$1.5 million
- Liaison with the US Embassy, military and other organizations on issues on common interest
- Coordinate annual Trade Issues publication as well as annual Washington Doorknock trip
- Primary spokesperson for organization

William M. Mercer Limited, Seoul, Korea 1991–1995, Director of Marketing

- Networking with senior expatriate and Korean executives of foreign and leading Korean companies to introduce Mercer services
- Managed all marketing activities in Korea; including the preparation and controlling the annual budget
- Established and maintained relationships with key Korean and US government officials to facilitate the flow of reliable market data
- Developed and managed an extensive database of clients and prospects of companies doing business in Korea
- Produced quarterly newsletter informing clients and prospects about current issues in the Korean labor environment
- Since joining Mercer, increased office revenue by 570 percent, number of new clients by 425 percent and number of projects by almost 300 percent

American International Group, Seoul, Korea 1988–1991, Group Manager

- Managed the Group Benefits department of ALICO with staff of 8 Korean employees
- Developed and introduced new group products into the Korean market place
- Conducted extensive market research on the Korean market for the home office
- Provided services to AIG worldwide clients in Korea

#### EDUCATION

University of Arkansas, Bachelor of Business Administration, 1981

#### ORGANIZATIONS

*The American Chamber of Commerce in Korea*



**Positions Held:**

Vice President, 1994–1995

Governor, 1991–1994

Human Resources Committee Co-Chair, 1991–1994

Membership Committee Co-Chairman, 1989–1991

**Activities:**

Washington Doorknocks, 1990–1997

AMCHAM–ROK Government Conferences, 1989–1993

## SUMMARY OF STATEMENT

## TOURISM

- Tourism is the 2nd largest employer in the U.S.
- International tourists visiting the U.S. bring jobs to Americans
- According to INS 1995 Statistical Yearbook 22.6 million visitors entered the U.S. & Koreans were the fastest growing segment
- Last year, Korean travelers spent over \$1.3 billion in the U.S.

## KOREA'S CURRENT ECONOMIC SITUATION

- Korea is the 11th largest economy in the world
- World Bank estimates their economy will be in the top 7 by 2010
- Korea is the U.S.'s 5th largest export market & 7th overall trading partner
- Korean economy has average 8 percent growth per year over the last 3 decades—unprecedented growth
- Korea is one of the few countries in the world where the U.S. enjoys a surplus
- Unemployment remains stable around 3 percent
- As Korean economy grows, Korean outbound travel will continue to rapidly increase
- KNTA estimates over 4.5 million Koreans will travel abroad this year and they predict 8.5 million to travel abroad by 2004
- According to KNTA estimates, the average Korean visiting the U.S. had a mean annual household income of \$59,800 and mean expenditures, excluding airfare were \$2,014

## CURRENT SITUATION IN U.S. EMBASSY IN KOREA

- The U.S. Embassy in Seoul continues to process more non-immigrant visas than anywhere else in the world; in 1996 they processed over 550,000 and they estimate 750,000 this year. All this is with no appreciable increase in resources!
- The U.S. remains the destination of choice and Korean travel to the U.S. continues to grow at over 20 percent per year in spite of the visa difficulties
- Other countries have seen a much higher increase in Korean travel (50–2400 percent)
- Demand for U.S. visas in Korea will continue to explode while consular resources are expected to remain flat
- The U.S. consular staff in Seoul should be commended for their heroic efforts to issue as many legitimate visas as possible with creative efforts to streamline efforts (appointment by fax, referral programs, batch processing, delivery by courier to name a few)
- In spite of their best efforts, other countries are aggressively attracting Korean travelers; 47 countries offer Koreans visa free travel
- U.S. business is being hurt by not being able to obtain visas fast enough for our employees and customers
- U.S. airlines report a high percentage of last minute cancellations due to inability to obtain a visa

## RECOMMENDATIONS

- Start treating Our Major Trade Partners as Valued Friends
- Support Legislation Giving Korea Early Entry into the VWPP Based on Strong Economic Ties
- Make the VWPP Permanent



## Exports to Korea by State (Thousand \$)

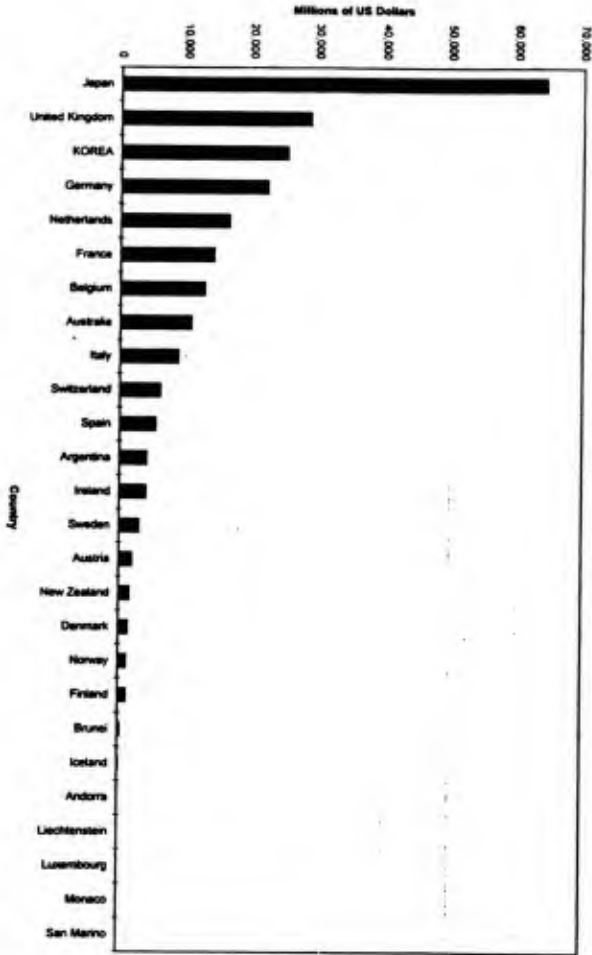
State	Exports Rank	1993 Exports	1994 Exports	1995 Exports	1993-95 % Change	1993-95 \$ Change
California	3	3,749,271	4,557,545	6,406,608	70.9	2,657,337
New York	5	1,228,555	1,344,736	1,954,820	59.1	726,264
Washington	3	1,369,521	1,406,268	1,851,636	33.3	462,117
Texas	6	750,229	923,574	1,473,961	96.5	723,732
New Jersey	3	918,214	1,260,852	1,359,592	48.1	441,378
Illinois	6	533,155	698,100	1,266,163	137.5	733,008
Virginia	4	524,489	856,415	971,576	85.2	447,087
Oregon	4	428,478	550,931	936,467	118.6	507,990
Connecticut	3	678,488	577,526	763,267	12.5	84,799
Pennsylvania	7	482,398	641,067	694,907	44.1	212,508
Ohio	7	315,341	374,221	537,984	70.6	222,644
Minnesota	8	186,550	261,158	435,433	130.9	246,883
Massachusetts	9	319,958	348,357	432,455	35.2	112,497
Georgia	4	105,502	174,055	429,058	306.7	323,556
Michigan	11	175,862	249,046	367,219	108.8	191,358
Florida	16	182,317	179,183	357,783	96.2	175,466
Kansas	4	67,304	107,716	341,460	407.3	274,155
Tennessee	8	181,846	230,385	284,448	56.4	102,601
Colorado	13	154,242	174,829	250,387	62.3	96,145
Arizona	12	177,455	206,249	230,188	29.7	52,733
North Carolina	12	114,589	132,208	183,194	59.9	68,605
Indiana	9	116,101	158,728	182,989	57.6	66,889
Delaware	7	136,938	155,869	172,484	26	35,547
Wisconsin	12	106,536	123,411	167,440	57.2	60,904
Nebraska	3	105,012	146,108	160,762	53.1	55,750
Utah	4	59,516	89,578	159,447	167.9	99,931
Alabama	6	104,862	125,219	140,922	34.4	36,060
Missouri	8	93,061	104,876	131,026	40.8	37,966
South Carolina	8	115,508	112,389	115,241	-0.2	-267
Kentucky	7	50,758	72,225	106,958	110.7	56,200
Louisiana	10	57,29	61,075	98,886	72.6	41,593
Alaska	3	92,849	75,568	93,700	0.9	851
Iowa	5	56,669	82,974	87,293	54	30,624
Oklahoma	10	30,234	45,767	66,846	121.1	36,612
Puerto Rico	16	49,488	43,099	61,719	24.7	12,230
Maryland	19	44,218	48,138	60,820	37.5	16,602
New Mexico	2	56,059	68,693	59,146	5.5	3,088
New Hampshire	7	24,715	40,721	52,521	112.5	27,806
Maine	6	18,145	18,240	49,241	171.4	31,097
Arkansas	9	31,739	33,786	37,239	17.3	5,501
Idaho	14	26,644	29,248	35,465	33.1	8,821
Mississippi	10	13,833	15,967	29,319	112	15,486
Rhode Island	8	14,918	24,780	28,570	91.5	13,652
Hawaii	3	18,968	26,187	24,766	30.6	5,798
West Virginia	10	18,121	16,737	21,165	16.8	3,044
District of Columbia	30	47,779	39,915	19,182	-59.9	-28,597
Virgin Islands	2	427	18,253	17,337	over 1,000	16,910
Nevada	8	7,384	11,039	13,273	79.7	5,889
Vermont	9	14,523	5,397	5,748	-60.4	-8,774
Montana	8	3,024	3,876	4,650	53.8	1,626
North Dakota	12	502	1,074	2,852	468.5	2,350
South Dakota	20	1,532	2,629	1,043	-31.9	-489
Wyoming	18	1,137	1,105	876	-23	-261
Unallocated	na	591,916	975,267	1,675,644	183.1	1,083,728
US Total	na	14,776,170	18,026,362	25,413,201	72	10,637,031

Visa Waiver Pilot Program Countries and Korea - A Comparison (1995 Figures in US\$ Millions)

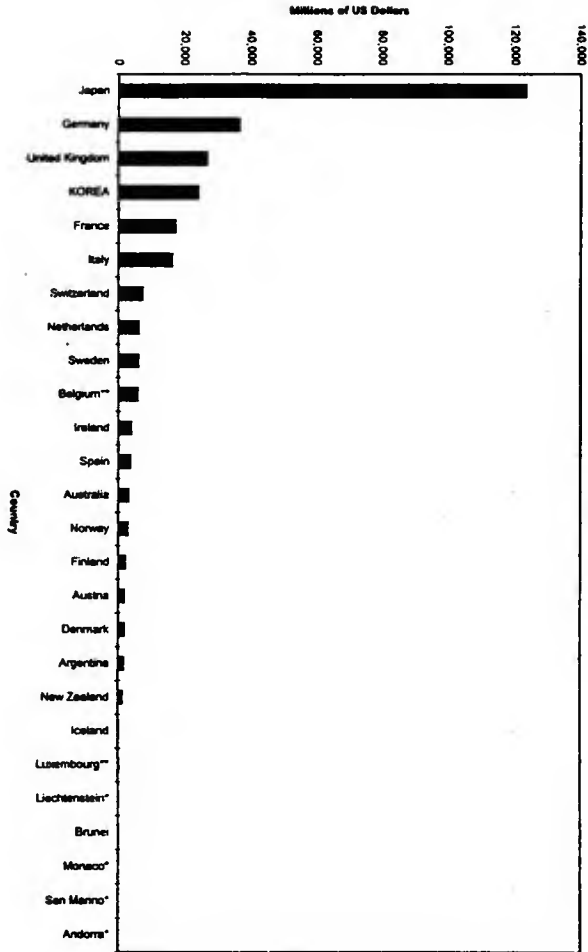
Country	US Imports	US Exports	Total Trade with US	US Balance of Trade	OECD Member	Visa Exempt - Korea
Japan	123,479	64,343	187,822	-59,136	Yes	No
Germany	36,844	22,394	59,238	-14,450	Yes	Yes - 90 Days
United Kingdom	28,898	28,657	57,555	1,898	Yes	Yes - 90 Days
KOREA	24,184	25,380	49,564	1,196	Yes	Yes
France	17,209	14,245	31,454	-2,964	Yes	Yes - 90 Days
Italy	16,348	6,862	25,210	-7,487	Yes	Yes - 90 Days
Switzerland	7,584	6,227	13,821	-1,386	Yes	Yes - 90 Days
Netherlands	6,405	16,558	22,963	10,153	Yes	Yes - 90 Days
Sweden**	6,256	3,080	9,336	-3,177	Yes	Yes - 90 Days
Belgium**	4,079	12,840	19,128	6,552	Yes	Yes - 90 Days
Ireland	3,875	4,109	8,188	30	Yes	Yes - 90 Days
Spain	3,323	5,526	9,401	1,851	Yes	Yes - 90 Days
Australia	3,087	10,784	14,112	7,496	Yes	Yes - 90 Days
Norway	2,270	1,263	4,390	-1,794	Yes	Yes - 90 Days
Finland	1,983	1,250	3,520	-1,020	Yes	Yes - 90 Days
Austria	1,945	2,017	3,980	54	Yes	Yes - 90 Days
Denmark	1,781	1,518	3,463	-427	Yes	Yes - 90 Days
Argentina	1,452	4,189	5,850	2,426	No	No
New Zealand	1,233	1,691	3,143	240	Yes	Yes - 90 Days
Iceland	233	171	404	-62	Yes	Yes - 90 Days
Luxembourg**	128				No	Yes - 90 Days
Liechtenstein*	38	325	363	152	No	No
Monaco*	12				No	No
San Marino*	1				No	No
Andorra*	0.24				No	No

\* US Department of Commerce statistics are unavailable for Andorra, Liechtenstein, Monaco and San Marino, except for US Imports

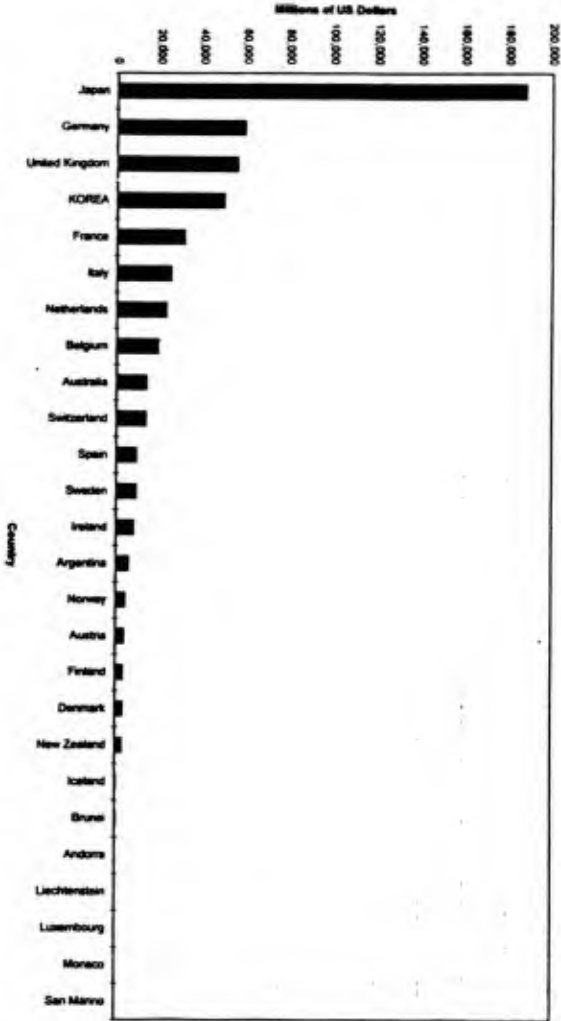
\*\* Economic data for Belgium and Luxembourg are grouped together in the section for Belgium, except for US Imports.



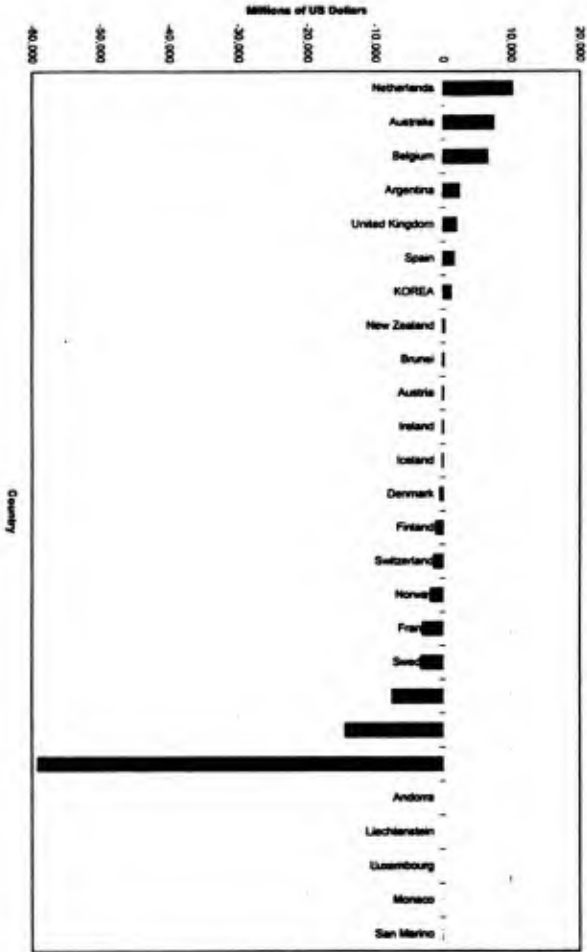
VWP Countries and Korea - 1985 US Exports



WFP Countries and Korea - 1988 US Imports



WPP Countries and Korea - 1998 Total US Trade



VMPP Countries and Korea - 1995 US Trade Balance

PREPARED STATEMENT OF WILLIAM S. NORMAN, PRESIDENT AND CEO, TRAVEL  
INDUSTRY ASSOCIATION OF AMERICA

Mr. Chairman, on behalf of the nation's travel and tourism industry, I appreciate the opportunity to testify before you today.

I am William S. Norman, President and Chief Executive Officer of the Travel Industry Association of America (TIA), the national, non-profit organization representing all components of the \$467 billion U.S. travel industry. TIA's mission is to promote and facilitate increased travel to and within the United States. It is on behalf of TIA and the entire travel and tourism industry that I testify today on the Visa Waiver Pilot Program (VWPP), and its positive impact upon tourism in the United States. TIA, and the travel and tourism industry it represents, fully support the highly successful VWPP program, and believe its extension, expansion and hopefully permanency would serve the best interest of our nation.

As this committee well knows, travel and tourism is an enormous business in the U.S.; it generated \$467 billion in expenditures and over 6.6 million direct jobs in 1996. International travel is a huge component of this business. The number of international visitors to the U.S. in 1996 increased 7 percent to a record 46.3 million, generating \$84 billion in expenditures and over one million direct jobs. Our trade surplus, attributable to international visitors continuing to spend more here than American travelers do abroad, increased to \$21.6 billion, constituting a 8 percent increase over 1995. I cannot emphasize enough that any increase in inbound international tourism means a proportional increase in revenue generation in the U.S. However, I must note that the U.S. ranking as a tourism destination is still a distinct second. We as an industry are committed to increasing our nation's market share—with corresponding benefits to our economy—and remaining competitive with other countries. In asking for extension, expansion and hopefully permanence for the VWPP, we are in effect asking for your help in meeting this goal for our nation and industry. The VWPP, created by your Committee's action, which took effect on July 1, 1988, currently has 25 countries participating, and this nation would benefit if more countries were added. Burgeoning markets such as Brazil and South Korea, for example, our 7th and 8th largest international tourism markets respectively, would be welcome additions to this program, as will other worthy countries which fall within the construct of the VWPP rules presently outlined.

Let me give you an example of one way we are working to increase our market. Earlier this month, I had the opportunity to see the business of international tourism in action. From June 2nd to June 4th, TIA convened its 29th Annual Discover America International PowWow. Held this year in Nashville, TN, the purpose of International PowWow is to provide a forum in which foreign tour operators and other international travel and tourism purchasers can meet with U.S. tourism product providers. This extraordinary conference and marketplace gathers together over 1400 international travel and tourism buyers and close to 4000 U.S. suppliers to negotiate rates and quantities of future Visit USA business, and what transpires in the course of three days is nothing short of miraculous. When these people meet in prescheduled appointments, they establish and renew valuable face-to-face contact, making business arrangements and negotiating contracts, which translates into billions of dollars of business. Prior surveys have estimated that between \$2.5 to \$3 billion worth of future business is contracted or negotiated in a mere three days at TIA's Discover America International PowWow.

How does this relate to promoting and facilitating increased travel, by international visitors, to the United States? International delegates at TIA's International PowWow account for more than 85 percent of the organized tour business to the U.S. Since between 12-15 percent of all international visitors to the U.S. use an organized tour, that is a significant percentage of our visitors.

Clearly, international tour and travel producers are able to more easily sell an organized tour package to the U.S. by also stressing the ease of travel and the absence of a need for a visa. Potential customers are more likely to select a U.S. travel destination or tour product if they do not have to wait in long lines to receive visas. In countries where booking a tour must be done far in advance of securing a visa, tour sales, which often require deposits, are less certain. It is this simple—easier travel to the U.S. means bigger business for the thousands of small businesses that comprise the majority of the travel and tourism industry.

Overall, 1996 was a banner year for travel and tourism, as it was first time in three years that the U.S. has had an increase in international visitors. While this is due to many factors, the influence of the addition of certain countries to the Visa Waiver Program is an undeniable factor. For example, let us look at Argentina, which was added to the VWPP list in July, 1996. In that year, Argentina ranked 14th in the number of visitors it sent to the U.S., sending 426,000 tourists to our

nation. Impressive, but Argentina was not always ranked so high. In the year preceding inclusion in the VWPP, Argentinean tourists numbered 382,000. In the year of their inclusion in the VWPP, there was an increase of 44,000 visitors, up 11.5 percent. As stated before, an increase of this magnitude means a proportional increase in revenue generation in the U.S. There is a domino effect at work here—travelers from abroad translate into big profits for small businesses in cities and towns across our nation. The domino effect can be seen in other ways also, for when foreign travelers visit the U.S., they affect not only the travel industry segment, but also a wide variety of other businesses within the community. And their travels do not only benefit our communities' economy—it also generates employment. International travel to the U.S. supported nearly one million jobs in 1996.

But let's bring this a little closer to home. As you well know, travel and tourism plays a huge role in the economy of many of your states; such as Michigan, Massachusetts, Iowa, California, and Arizona, which all contain attractive and desirable destinations. However, for today Mr. Chairman, let's look to Michigan specifically as an example. Nearly 13,000 jobs were created in that state from international tourism, and 122,700 jobs were created by domestic travelers.

These jobs are not only in the traditional hospitality—related industries such as hotels and restaurants, but also in areas such as the retail industry which is flourishing through trade. As foreign visitors use their purchasing power in Michigan, totaling \$7.9 billion annually, they are also supporting small businesses.

Looking nationally, allow me to restate that the Visa Waiver Program is vital to the health of our industry and our nation. To illustrate this, imagine what would occur if the Program were allowed to expire. First, we as a nation would no doubt lose valuable business. Trade is in reality a two way street, and while we must treat our trading partners with respect, we have also learned to keep a wary eye open to the competition. If we were to burden the overseas travelers by demanding that they fill out yet more paperwork, spend more time waiting for clearance, and subject themselves to unwarranted inspections, they may seek seemingly more attractive alternatives. Our overseas visitors are sensitive to the way they are treated, and make no mistake that if they feel unwelcome they may take their business elsewhere. The travel and tourism business is a highly competitive one, and the U.S. competes with hundreds of other countries for the same business. So, if another country welcomes certain overseas visitors with open arms, while the U.S. requires form after form, the other country will have a competitive advantage. Prior to the enactment of the Visa Waiver Program, national surveys indicated that the lack of visa waiver was a major complaint of international visitors to the U.S.

Second, if the VWPP were allowed to expire, it would place an enormous burden on our consulates overseas. If such a demand were placed on the State Department, it may have to respond by adding more employees to posts overseas and thereby draining its existing budget, and adding to perceived government waste of taxpayer dollars. While the number of employees needed can only be imagined, it has previously been estimated that the cost of posting each American to the field now tops \$100,000 in addition to salary. It should also be noted that this program has played a vital role in urging countries to implement technological advances such as machine readable passports, providing increased efficiency in regards to passenger data. In the spirit of improving government efficiency that this Congress has embraced, we should not allow the scenario of expiration to play out.

Finally, as this program is reciprocal, the removal of certain countries from our visa waiver list could conceivably translate into a greater travel burden for our American citizens traveling abroad. In fact, when visa waiver was first enacted it became an inducement for Japan to offer reciprocal privileges to U.S. citizens traveling to their country. Presently, Japan is one of our most lucrative tourism markets, ranking third in annual arrivals behind Canada and Mexico. In fact, outside of Canada and Mexico, 10 of the 14 remaining top U.S. tourism generating countries are VWPP members. We must continue to grow this market by extending to other nations the same respect and welcoming attitude that they extend to us. From an economic and business generating standpoint, the aforementioned non-VWPP countries—Brazil, South Korea, Venezuela, and Taiwan—would make excellent candidates for inclusion, and should be subject to standardized, objective qualification criteria.

While extremely popular and beneficial, the travel and tourism industry recognizes that this program is not perfect, and that legitimate national interest questions remain. We are aware of the substantive concerns which several Members of Congress have regarding this Program, specifically in the area of the recording of overstay rates. It is our understanding that, hopefully, this particular problem is being addressed. The INS has announced that a more effective method of border exit calculation should be operational in early 1998. On that note, I believe that one



point must be made crystal clear, and that is that we at TIA, and the industry we represent, wish to be of service in addressing any concerns you may have, and are dedicated to making the Program work for all concerned. Yet if we are to seriously examine such problems and reach meaningful and realistic solutions, we need sufficient time to develop creative answers without the threat of expiration every year. With all due respect, one year may be barely enough time to strategize improvement methods for an existing government program, let alone implement them. Make no mistake that this program has proven itself a viable and valuable program for almost 10 years, and as such is a worthy candidate for permanency. At minimum, an approval of a significant, multi-year extension and expansion seems reasonable if this would allow sufficient time to implement, as one example, an efficient successor method of overstay calculation. Last year's bill allowed for significant improvement in this program by including provisions for removal of those countries who no longer meet the criteria required of them; we look forward to adding additional improvements to this year's legislation.

In closing, I would like to stress again that ease of travel to this country is directly proportional to the travel and tourism revenue generated here. TIA and the travel and tourism industry are therefore dedicated to making the VWPP a success, and we will do everything in our power to ensure its permanence and expansion. Thank you for allowing me this opportunity to stress to you the important role that VWPP plays in international tourism, and therefore our U.S. economy. I would be happy to answer any questions you may have.

# THE ECONOMIC IMPACT OF TRAVEL AND TOURISM ON **-ARIZONA-**

Source: Travel Industry Association; Tourism Industries/International Trade Administration

In 1994, the travel and tourism industry was a powerhouse of economic activity for Arizona. Billions of dollars in expenditures were generated and thousands of jobs were supported by domestic and international travelers.

### TRAVEL EXPENDITURES IN ARIZONA:

Domestic:	\$5.9 billion
International:	\$1.3 billion

**TOTAL EXPENDITURES: \$7.2 billion**

### JOBS SUPPORTED BY:

Domestic Travelers:	104,200
International Travelers:	23,500

**TOTAL JOBS: 127,700**

### TAX REVENUE GENERATED BY TRAVEL AND TOURISM:

	Domestic Travelers	International Travelers:
LOCAL:	\$117.8 mil.	\$11.3 mil.
STATE:	\$309.2 mil.	\$72.8 mil.
FEDERAL:	\$483.7 mil.	\$80.3 mil.

**TOTAL TAX REVENUE: \$1.075 billion**

**\*TRAVEL AND TOURISM IS ARIZONA'S  
SECOND-LARGEST EMPLOYER.**

*Nationally, travel and tourism is a powerful engine of economic growth in the United States.*

- In 1995, travel and tourism generated an estimated \$467 billion in expenditures.
- Travel and tourism was the nation's leading export in 1995. More than \$80 billion in expenditures was generated by 43.4 million international visitors, creating a \$19.5 billion surplus.
- Travel and tourism directly supports 6.6 million jobs, including 684,000 executive-level positions. The industry indirectly supports an additional 8.9 million jobs.
- Travel and tourism generates more than \$64 billion in tax revenue a year for federal, state, and local governments.
- International visitors spent an estimated \$218 million a day on their trips to the U.S., while Americans spent \$987 million a day on domestic trips.
- Travel and tourism generated \$116 billion in payroll in 1995.

## THE ECONOMIC IMPACT OF TRAVEL AND TOURISM ON **-CALIFORNIA-**

Source: Travel Industry Association; Tourism Industries/International Trade Administration

In 1994, the travel and tourism industry was a powerhouse of economic activity for California. Billions of dollars in expenditures were generated and thousands of jobs were supported by domestic and international travelers.

### TRAVEL EXPENDITURES IN CALIFORNIA:

Domestic:	\$44 billion
International:	\$11.5 billion

**TOTAL EXPENDITURES: \$55.5 billion**

### JOBS SUPPORTED BY:

Domestic Travelers:	604,000
International Travelers:	187,200

**TOTAL JOBS: 791,200**

### TAX REVENUE GENERATED BY TRAVEL AND TOURISM:

	Domestic Travelers	International Travelers:
LOCAL:	\$1.08 bil.	\$284 mil.
STATE:	\$1.7 bil.	\$394.1 mil.
FEDERAL:	\$4 bil.	\$890.6 mil.

**TOTAL TAX REVENUE: \$8.3 billion**

***\*IN 1994, CALIFORNIA WAS THE NUMBER ONE TRAVEL AND TOURISM STATE IN THE U.S.***

*Nationally, travel and tourism is a powerful engine of economic growth in the United States.*

- In 1995, travel and tourism generated an estimated \$467 billion in expenditures.
- Travel and tourism was the nation's leading export in 1995. More than \$80 billion in expenditures was generated by 43.4 million international visitors, creating a \$19.5 billion surplus.
- Travel and tourism directly supports 6.6 million jobs, including 684,000 executive-level positions. The industry indirectly supports an additional 8.9 million jobs.
- Travel and tourism generates more than \$64 billion in tax revenue a year for federal, state, and local governments.
- International visitors spent an estimated \$218 million a day on their trips to the U.S., while Americans spent \$987 million a day on domestic trips.
- Travel and tourism generated \$116 billion in payroll in 1995.

## THE ECONOMIC IMPACT OF TRAVEL AND TOURISM ON **-ILLINOIS-**

Source: Travel Industry Association; Tourism Industries/International Trade Administration

In 1994, the travel and tourism industry was a powerhouse of economic activity for Illinois. Billions of dollars in expenditures were generated and thousands of jobs were supported by domestic and international travelers.

### TRAVEL EXPENDITURES IN ILLINOIS:

Domestic:	\$14.9 billion
International:	\$1.4 billion

**TOTAL EXPENDITURES: \$16.3 billion**

### JOBS SUPPORTED BY:

Domestic Travelers:	227,300
International Travelers:	23,200

**TOTAL JOBS: 250,500**

### TAX REVENUE GENERATED BY TRAVEL AND TOURISM:

	Domestic Travelers	International Travelers:
LOCAL:	\$336.9 mil.	\$14.1 mil.
STATE:	\$592.6 mil.	\$68.6 mil.
FEDERAL:	\$1.64 bil.	\$128.6 mil.

**TOTAL TAX REVENUE: \$2.8 billion**

**\*TRAVEL AND TOURISM THE THIRD LARGEST EMPLOYER IN ILLINOIS.**

*Nationally, travel and tourism is a powerful engine of economic growth in the United States.*

- In 1995, travel and tourism generated an estimated \$467 billion in expenditures.
- Travel and tourism was the nation's leading export in 1995. More than \$80 billion in expenditures were generated by 43.4 million international visitors, creating a \$19.5 billion surplus.
- Travel and tourism directly supports 6.6 million jobs, including 684,000 executive-level positions. The industry indirectly supports an additional 8.9 million jobs.
- Travel and tourism generates more than \$64 billion in tax revenue a year for federal, state, and local governments.
- International visitors spent an estimated \$218 million a day on their trips to the U.S., while Americans spent \$987 million a day on domestic trips.
- Travel and tourism generated \$116 billion in payroll in 1995.

# THE ECONOMIC IMPACT OF TRAVEL AND TOURISM ON **-IOWA-**

Source: Travel Industry Association; Tourism Industries/International Trade Administration

In 1994, the travel and tourism industry was a powerhouse of economic activity for Iowa. Billions of dollars in expenditures were generated and thousands of jobs were supported by domestic and international travelers.

### TRAVEL EXPENDITURES IN IOWA:

Domestic:	\$3 billion
International:	\$77.8 million

**TOTAL EXPENDITURES: \$3.04 billion**

### JOBS SUPPORTED BY:

Domestic Travelers:	47,300
International Travelers:	1,600

**TOTAL JOBS: 48,900**

### TAX REVENUE GENERATED BY TRAVEL AND TOURISM:

	Domestic Travelers	International Travelers:
LOCAL:	\$35.7 mil.	\$.6 mil.
STATE:	\$180.4 mil.	\$3.7 mil.
FEDERAL:	\$274.4 mil.	\$4.7 mil.

**TOTAL TAX REVENUE: \$499.6 million**

*Nationally, travel and tourism is a powerful engine of economic growth in the United States.*

- In 1995, travel and tourism generated an estimated \$467 billion in expenditures.
- Travel and tourism was the nation's leading export in 1995. More than \$80 billion in expenditures was generated by 43.4 million international visitors, creating a \$19.5 billion surplus.
- Travel and tourism directly supports 6.6 million jobs, including 684,000 executive-level positions. The industry indirectly supports an additional 8.9 million jobs.
- Travel and tourism generates more than \$64 billion in tax revenue a year for federal, state, and local governments.
- International visitors spent an estimated \$218 million a day on their trips to the U.S., while Americans spent \$987 million a day on domestic trips.
- Travel and tourism generated \$116 billion in payroll in 1995.

# THE ECONOMIC IMPACT OF TRAVEL AND TOURISM ON **-MASSACHUSETTS-**

Source: Travel Industry Association; Tourism Industries/International Trade Administration

In 1994, the travel and tourism industry was a powerhouse of economic activity for Massachusetts. Billions of dollars in expenditures were generated and thousands of jobs were supported by domestic and international travelers.

### TRAVEL EXPENDITURES IN MASSACHUSETTS:

Domestic:                   \$7.7 billion  
International:             \$1.52 billion

**TOTAL EXPENDITURES: \$9.2 billion**

### JOBS SUPPORTED BY:

Domestic Travelers:     94,900  
International Travelers: 23,200

**TOTAL JOBS:               118,100**

### TAX REVENUE GENERATED BY TRAVEL AND TOURISM:

	Domestic Travelers	International Travelers:
LOCAL:	\$125.6 mil.	\$11.8 mil.
STATE:	\$233.1 mil.	\$66.9 mil.
FEDERAL:	\$1.1 bil.	\$111.7 mil.

**TOTAL TAX REVENUE: \$1.26 billion**

**\*TRAVEL & TOURISM IS THE FOURTH-LARGEST EMPLOYER IN MASSACHUSETTS.**

*Nationally, travel and tourism is a powerful engine of economic growth in the United States.*

- In 1995, travel and tourism generated an estimated \$467 billion in expenditures.
- Travel and tourism was the nation's leading export in 1995. More than \$80 billion in expenditures was generated by 43.4 million international visitors, creating a \$19.5 billion surplus.
- Travel and tourism directly supports 6.6 million jobs, including 684,000 executive-level positions. The industry indirectly supports an additional 8.9 million jobs.
- Travel and tourism generates more than \$64 billion in tax revenue a year for federal, state, and local governments.
- International visitors spent an estimated \$218 million a day on their trips to the U.S., while Americans spent \$987 million a day on domestic trips.
- Travel and tourism generated \$116 billion in payroll in 1995.

# THE ECONOMIC IMPACT OF TRAVEL AND TOURISM ON -MICHIGAN-

Source: Travel Industry Association; Tourism Industries/International Trade Administration

In 1994, the travel and tourism industry was a powerhouse of economic activity for Michigan. Billions of dollars in expenditures were generated and thousands of jobs were supported by domestic and international travelers.

### TRAVEL EXPENDITURES IN MICHIGAN:

Domestic:	\$7.9 billion
International:	\$586.6 million

**TOTAL EXPENDITURES: \$8.5 billion**

### JOBS SUPPORTED BY:

Domestic Travelers:	122,700
International Travelers:	12,700

**TOTAL JOBS: 135,400**

### TAX REVENUE GENERATED BY TRAVEL AND TOURISM:

	Domestic Travelers	International Travelers:
LOCAL:	\$116.7 mil.	\$.6 mil.
STATE:	\$781.5 mil.	\$26.4 mil.
FEDERAL:	\$1.2 bil.	\$54.6 mil.

**TOTAL TAX REVENUE: \$1.3 billion**

*Nationally, travel and tourism is a powerful engine of economic growth in the United States.*

- In 1995, travel and tourism generated an estimated \$467 billion in expenditures.
- Travel and tourism was the nation's leading export in 1995. More than \$80 billion in expenditures was generated by 43.4 million international visitors, creating a \$19.5 billion surplus.
- Travel and tourism directly supports 6.6 million jobs, including 684,000 executive-level positions. The industry indirectly supports an additional 8.9 million jobs.
- Travel and tourism generates more than \$64 billion in tax revenue a year for federal, state, and local governments.
- International visitors spent an estimated \$218 million a day on their trips to the U.S., while Americans spent \$987 million a day on domestic trips.
- Travel and tourism generated \$116 billion in payroll in 1995

# THE ECONOMIC IMPACT OF TRAVEL AND TOURISM ON -PENNSYLVANIA-

Source: Travel Industry Association; Tourism Industries/International Trade Administration

In 1994, the travel and tourism industry was a powerhouse of economic activity for Pennsylvania. Billions of dollars in expenditures were generated and thousands of jobs were supported by domestic and international travelers.

## TRAVEL EXPENDITURES IN PENNSYLVANIA:

Domestic:	\$10.6 billion
International:	\$768.7 million

**TOTAL EXPENDITURES: \$11.4 billion**

## JOBS SUPPORTED BY:

Domestic Travelers:	169,600
International Travelers:	14,400

**TOTAL JOBS: 184,000**

## TAX REVENUE GENERATED BY TRAVEL AND TOURISM:

	Domestic Travelers	International Travelers:
LOCAL:	\$156 mil.	\$2.3 mil.
STATE:	\$420.9 mil.	\$40.4 mil.
FEDERAL:	\$1.07 bil.	\$64.6 mil.

**TOTAL TAX REVENUE: \$1.75 billion**

**\*TRAVEL & TOURISM IS PENNSYLVANIA'S FOURTH-LARGEST EMPLOYER.**

*Nationally, travel and tourism is a powerful engine of economic growth in the United States.*

- In 1995, travel and tourism generated an estimated \$467 billion in expenditures.
- Travel and tourism was the nation's leading export in 1995. More than \$80 billion in expenditures was generated by 43.4 million international visitors, creating a \$19.5 billion surplus.
- Travel and tourism directly supports 6.6 million jobs, including 684,000 executive-level positions. The industry indirectly supports an additional 8.9 million jobs.
- Travel and tourism generates more than \$64 billion in tax revenue a year for federal, state, and local governments.
- International visitors spent an estimated \$218 million a day on their trips to the U.S., while Americans spent \$987 million a day on domestic trips.
- Travel and tourism generated \$116 billion in payroll in 1995.



WESTERN STATES TOURISM POLICY COUNCIL,  
Carson City, NV, June 21, 1997.

Hon. SPENCER ABRAHAM,  
*Chair, Immigration Subcommittee,  
Judiciary Committee, U.S. Senate,  
Washington, DC.*

Hon. EDWARD M. KENNEDY,  
*Ranking Democratic Member, Immigration Subcommittee,  
Judiciary Committee, U.S. Senate,  
Washington, DC.*

DEAR CHAIRMAN ABRAHAM AND SENATOR KENNEDY: I am writing on behalf of the Western States Tourism Policy Council, which is comprised of the tourism office directors of the 8 Western United States.

The WSTPC would like to express strong support for the permanent reauthorization of the U.S. Department of State's Visa Waiver Program, and qualified support for Representative Jay Kim's H.R. 203, which would grant fee waivers to South Korean tourists and business people for a one-year trial period. Although this bill falls short of our goal of immediate and permanent inclusion of South Korea in a permanent program, we regard it as a positive first step in the correct direction.

This is a crucial issue for the tourism industry of the Western United States. Korea is currently the world's 11th largest economy, and is projected to be the 7th largest by 2020, with a GNP of some \$4 trillion. With a mean annual household income of \$59,800, the South Koreans are a people with large amounts of discretionary income. In fact, about 8 percent of the Korean population traveled overseas in 1996, and spent over \$2,000 per trip. And they love the Western States, with California, Nevada, and Hawaii being their favorites.

It is estimated that lowering the existing barriers to Korean visitation would increase arrivals by about 200,000 the first year, generate \$400 million in new spending and create 100,000 new jobs.

We are also opposed to any legislation, such as H.R. 627 and S. 290, which would waive visa requirements only for South Koreans traveling with a group tour operator. This legislation would appear to exclude business travelers, and we must agree with Representative Kim, who termed such a discriminatory measure as "an insult" to the South Korean people. In purely economic terms, we believe that excluding business travelers is a serious mistake, given the fact that many western cities are currently attempting to expand their share of the business, convention, and incentive travel market, and others are seeking to increase business with the nations of the Pacific Rim, where South Korea is a significant economic force.

Please include this letter in the hearing record. And thank you for your consideration.

Sincerely,

THOMAS G. TAFT,  
*Tourism Policy Council.*

---

PREPARED STATEMENT OF THE AIRPORTS COUNCIL INTERNATIONAL—NORTH AMERICA  
AND THE AMERICAN ASSOCIATION OF AIRPORT EXECUTIVES

Mr. Chairman and Members of the Subcommittee: The Airports Council International—North America (ACI-NA) and the American Association of Airport Executives (AAAE) appreciate the opportunity to submit written comments for the record of the hearing held July 17, 1997.

ACI-NA's Members are the local, state and regional governmental entities that own and operate commercial service airports in the United States and Canada. ACI-NA member airports serve more than 90 percent of the U.S. domestic scheduled air passenger and cargo traffic and virtually all U.S. scheduled international travel. AAAE is the professional organization representing the men and women who manage the primary, commercial service, reliever and general aviation airports which enplane 99 percent of the passengers in the United States.

ACI-NA and AAAE have been in support of the Visa Waiver Pilot Program since its inception in 1988. This program offers international travelers the opportunity to visit the United States with minimal inconvenience and cost. Member countries offer these same privileges to U.S. citizens through reciprocal agreements. The benefits of the program are clear. Government costs are significantly reduced as the Department of State is no longer required to staff many consular positions in Visa Waiver countries. The Immigration and Naturalization Service (INS) is not required

to process visas or retain records for passengers arriving from these countries. Other economic benefits are derived from the increase in tourism the program supports.

While we understand the need to fine tune certain aspects of the program to make it as effective an enforcement tool as it is a facilitation tool, we believe that Congress could, through the introduction of technical legislative language, make adjustments to the program to achieve this goal. Following Congressional action the INS and the Department of State, through the federal rulemaking process, could make the necessary corrections to ensure that enforcement is not diminished should the program become a permanent one.

Individual participants in the program are "otherwise eligible" for entrance into the United States and pose little to no risk of overstaying their allotted time in this country. Prior to being granted Visa Waiver privileges, applicant countries must prove through historical performance that they meet the standards of the program, one of which is "over-stay rates." Considering the criteria used to assess new entrants into the program, ACI-NA and AAAE believe that we should not risk losing the considerable benefits gained from this program due to concerns, however valid, related to other aspects of our immigration policy.

Again, thank you for the opportunity to present our support for the Visa Waiver Pilot Program. Considering the program is set to expire, again, September 30 of this year, we encourage you and your colleagues serving on this subcommittee to take the necessary steps to make this a permanent program.

Senator ABRAHAM. At this point, we will turn to our first panel and we will begin with Senator Frank Murkowski from the State of Alaska.

Senator thank you for being here, and please proceed.

**PANEL CONSISTING OF HON. FRANK H. MURKOWSKI, A U.S. SENATOR FROM THE STATE OF ALASKA; HON. DANIEL K. INOUE, A U.S. SENATOR FROM THE STATE OF HAWAII; HON. JAY KIM, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA; HON. GEORGE ALLEN, GOVERNOR, COMMONWEALTH OF VIRGINIA, RICHMOND, VA; AND HON. MAZIE K. HIRONO, LIEUTENANT GOVERNOR, STATE OF HAWAII, HONOLULU, HI**

#### **STATEMENT OF HON. FRANK H. MURKOWSKI**

Senator MURKOWSKI. Thank you very much, Mr. Chairman, and I am particularly pleased at your note of optimism relative to some degree of relief on the Korean visa waiver issue. I am very pleased to be here with Governor Allen of Virginia; my good friend, Senator Inouye from Hawaii; and especially let me acknowledge my good friend, Lieutenant Governor Hirono. We had an opportunity to meet very early in the morning at the Honolulu airport. I was there overnight, all night, and she was bright and fresh, and we had a very significant and meaningful discussion about the merits of this particular legislation.

You have noted that our Governor has a statement for the record. Unfortunately, he cannot be here. You noted that Donald Gregg, former Ambassador to South Korea, had a statement for the record, and he, regrettably, cannot be here to testify. I am pleased that you have accepted their testimony in lieu.

This bill, S. 290, I think, really strengthens the relationship with a close ally and an important trading partner of the United States. It expands along the lines of the existing Travel Agent Referral Program, also known as the TARP, that is currently in place in South Korea. The bill, as you know, allows free travel, visa-free, for Koreans traveling with approved tour operators. It includes safeguards to prevent illegal immigration, including, one, visitors must

be part of an approved tour group. The tour operator would be subject to a \$200,000 bond requirement. The visitors must have a round-trip ticket purchased up to 2 weeks in advance, and arrive by a carrier that agrees to return them if they are deemed inadmissible. So I think most of the exposures are covered. On-time return must be certified by the travel agent, and the travel agent must submit sufficient information on travelers to allow U.S. authorities to conduct national security checks.

The bill was introduced jointly because I think we feel that South Koreans have been forced to wait an unduly unreasonable time, long lines, for visas. They have been required to produce detailed family and financial background material. I know the overburdened consular offices in the U.S. Embassies are doing the best they can, but I think a few examples stand out that are unique to South Korea and probably don't have a parallel anywhere else.

President Kim Young Sam's sister was rejected the first time she applied for a tourist visa to the United States. The daughter of the chairman of the multi-billion-dollar Hyundai Corp., was rejected for a student visa because of insufficient financial resources. I don't know whether the chairman—perhaps he should try to get a higher-paying job, but in any event that wasn't satisfactory. The son of the president of IBM in Korea was rejected because the consular office did not believe the son would be a good student, even though the son had already been accepted to a U.S. school.

Those are isolated cases, obviously, but I think they represent a fair segment of the problems we have here in the inability to be sensitive to reasonable visa requests and an opportunity to change that dramatically. I wouldn't be here today, however, if we had a process that seemed to be working and that the consular offices could supply subjective criteria for refusing the visas. I believe the standard for entry into the Visa Waiver Pilot Program should be objective criteria, such as overstay rate, rather than an arbitrary refusal rate standard, which is what is in effect now.

I think Korea deserves to be treated like many of our other close allies. They are our fifth largest export market, home to some 37,000 American troops. They have an economy larger than all but five countries currently in the Visa Waiver Program.

Now, the chart is over here on my left. If you will refer to it very briefly, the Korea GDP growth for 1996 was 7 percent, substantially higher than the average for visa waiver countries. The 1996 unemployment rate is dramatically lower, 2 percent for Korea, and 8.8 for the average of the other visa waiver countries. So I think there is an application there. Of the G-9 nations, only Japan and the United States impose visa requirements on Korea. The State Department has opposed efforts to seek relief for our Korean friends. So, as a consequence, we are imploring your committee, Mr. Chairman.

I would like to address some of the points that probably will be covered in other testimony as well. But, briefly, recognizing that time is limited, the State Department suggests that the Koreans have no economic incentive to return to Korea. Well, I think the Director of the State Department Office of Public and Diplomatic Liaison suggested in a letter to me that the refusal rate in Korea

correlates to their unemployment rate. Well, you see the figures there.

Is the officer suggesting that a country needs an unemployment rate under 2 percent to qualify? I don't think so. Compared to other countries, France is at 11.7; Germany, 12; Spain, 22. So Korea more than qualifies under that criterion. The fact is that Korea has a vibrant and expanding economy with a very low unemployment rate, and Korea represents no more of a risk of mass migration than most other visa waiver countries.

Mr. Chairman, recognizing the limitations on time, let me just ask that the balance of my statement be entered into the record which simply stipulates and substantiates the points I have made for justification of a Visa Waiver Program criteria being applied to Korean visitors to the United States. I think Senate bill 209 gives Korea that chance. Without it, under current criteria, Korea is probably at least 2, maybe 3 years away from qualifying for the Visa Waiver Pilot Program, and I hope you will agree with me that that is unacceptable. I think this legislation provides an important interim step while we address whether the Visa Waiver Program's criteria is being objectively applied to Korean travelers.

I thank the Chair.

Senator ABRAHAM. I thank you and, Senator, your full statement will be included in the record. I also thank you for having brought this issue to our attention. I think the first time that I was aware of these issues pertaining to South Korea was when you raised the questions with me, and I appreciate that.

[The prepared statement of Senator Murkowski follows:]

#### PREPARED STATEMENT OF SENATOR FRANK H. MURKOWSKI

Mr. Chairman, I first want to thank you for holding this hearing. In our increasingly global economy, travel and tourism play an increasingly important role in our economy. The Visa Waiver Pilot Program (VWPP) is critical to the continued growth of this sector.

I also want to thank you for inviting me to testify on S. 290, the Korea Visa Waiver Pilot Program. Joining me in cosponsoring this legislation are Senators Inouye, Akaka, Thomas, and Senator Stevens and I am delighted to be joined by my colleague Senator Inouye today, along with the Governor of Hawaii. As the Chairman is aware, Alaska's Governor is unable to be here today, but he has submitted testimony that I recommend to the Committee for review. I would also like to submit for the record testimony from Ambassador Donald Gregg—the former United States Ambassador to South Korea.

S. 290, simply expands along the lines of the existing Travel Agent Referral Program (TARP). S. 290 allows Koreans who are traveling with approved tour operators to travel to the United States visa free. The bill also contains several safeguards to prevent illegal immigration including provisions requiring that:

- Visitors must be part of an approved tour group. The Tour Operator will be subject to a bonding requirement;
- Visitors must have a round-trip ticket for up to 2 weeks, and arrive by a carrier that agrees to return them if they are deemed inadmissible;
- On-time return be certified by the travel agent; and
- The travel agent must submit sufficient information on travelers to allow U.S. authorities to conduct national security checks.

Before I continue, I would like to say a few words about the Visa Waiver Pilot Program (VWPP) in general. Allowing visa free travel for eligible countries that are close allies to the United States is an excellent concept that should be expanded. Visa free travel encourages both tourism and trade and fosters closer ties between the United States and the Visa Waiver countries. As the Chairman is aware, that program now covers 25 countries. I support reauthorizing the program.

While I support the concept of the VWPP program, I do have reservations about the subjective nature of the eligibility requirements. I find it ironic that the only Asian country represented in the Pilot Program is Japan. I believe that our treatment of South Korean citizens applying for U.S. visas is fundamentally inequitable considering the realities of South Korea today, and that is why I have introduced legislation to allow Koreans who are traveling with approved tour operators to travel to the U.S. visa free.

South Korea has changed dramatically in the last several years, and is one of the Asian miracles. It has a vibrant economy, an attractive job market, and rising living standards. South Korea's unemployment rate for April 97 was 2.8 percent,—70 percent lower than the U.S. and 400 percent lower than Germany and France. In fact, the Korean Trade Minister informed me last month that they are actually experiencing significant reverse migration from the U.S. back to Korea.

South Korea is our 5th largest export market, the home of 37,000 American soldiers, a strong ally whose troops fought and died alongside our troops in war, and that played a pivotal role in both the Cold War and in maintaining the peace today. That is why I am concerned that South Koreans are treated like a poor Third World country when it comes to applying for an American visa rather than a country that has an economy that is larger than all but five of the countries currently participating in the Visa Waiver Pilot Program. Of the G-7 nations only Japan and the United States still impose visa requirements on Koreans.

I have heard many stories of Koreans forced to wait in long lines, produce detailed family and financial background material, and hope that one of the overburdened consular officers at the U.S. Embassy in Seoul can process the application before their plans leave. A few examples stand out:

- President Kim Young Sam's sister was rejected the first time she applied for a tourist visa.
- The daughter of the Chairman of the multi-billion dollar Hyundai conglomerate was rejected for a student visa based on insufficient financial resources.
- The son of the President of IBM Korea was rejected because he would not be a good student, in the eyes of consular officer, even though he was already accepted at a school in the United States.

If these were just isolated incidents, I would not be here today. But these are not isolated incidents and that is because the consular officers are applying subjective criteria to determine who is refused a visa. And as the committee is aware, it is only the refusal rate, and not the more important overstay rate, that matters for purposes of entry into the VWPP.

Even with the problems evident in South Korea, I would like to recognize the fact that the consular officers in Korea have made progress in addressing my concerns about the long wait at the Embassy. Many of these reforms started under the able guidance of our former Ambassador to South Korea, Donald Gregg, who has submitted testimony in support of S. 290. Some of this can be attributed to the Travel Agent Referral Program (TARP) where travel agents do most of the leg work. Nevertheless, because Koreans tend to travel on short notice and during particular times of the year, Koreans still must wait during the peak seasons to attain a visa. Regardless of how streamlined the process becomes, a traveler will prefer the path that does not require dealing with a bureaucracy.

The State Department has opposed my efforts to seek relief for our Korean friends. I would like to address some of their objections, because I think they fundamentally miss the point.

First, the State Department has simply tried to ignore that there is a problem. Most recently, in an April 28, 1997 letter, Barbara Jones of the visa services section of the State Department claimed that the difficulties faced by the U.S. Embassy in Seoul have "never discouraged Korean tourism to the U.S. The number of Korean visitors rose more than 20 percent in each of the last 6 years." An increase in visitors by 20 percent is certainly welcome, but if you compare this figure with the percentage increase in Korean visitors to countries that have waived a visa requirement, it is obvious that Koreans are choosing other destinations.

New Zealand adopted a visa-free policy in 1993 and Canada followed in 1994. New Zealand experienced a staggering 900 percent increase and Canada, starting from a higher level, saw the number of Korean visitors double.

The State Department also argues that my legislation shifts the enforcement of U.S. immigration laws onto foreign travel agents and creates a conflict of interest for travel agents to adequately screen applicants. I disagree.

Tour operators, who are chosen by the United States, must provide U.S. authorities with information on all travelers before departure so that U.S. officials can conduct security checks before the Koreans travel to our country. Moreover, these tour-

ists would still present passports at the port of entry, where U.S. Customs would catch fraudulent documents.

My legislation, would, in fact, provide more incentive for the tour operator to screen applicants carefully than currently under TARP. Tour operators would guarantee the on-time return of everyone with a \$200,000 bond. I do not believe a tour operator is going to risk this amount of money on risky travelers.

The State Department has raised allegations of Koreans illegally crossing the U.S. border from Canada, or attempting to enter the U.S. with fraudulent documents. Both of these allegations, if true, are of great concern to me. But I have yet to receive any proof that these are anything other than sporadic anecdotal stories. In fact, in testimony to a House subcommittee, Assistant Secretary of State Mary Ryan said that Korea is in the lowest risk category for visa fraud.

Finally, the State Department seems to hold South Korea to unreachable goals. Just last week, the Director of the State Department Office of Public and Diplomatic Liaison observed that "the 1996 visitor refusal rate of 2.87 percent for Koreans correlates closely with the 2.8 percent Korean unemployment rate \* \* \*." Is this officer suggesting that Korea must have an unemployment rate below 2 percent before consular officials will believe that Koreans will not choose to stay in the U.S.? If that is the criteria, we would have to kick out 23 of 25 of the current participating visa waiver countries, including Germany (12 percent unemployment), France (11.7 percent unemployment) and Spain (22.8 percent unemployment).

More than anything else, Mr. Chairman, my legislation is intended to give the South Korean people the respect they richly deserve. A close ally, an economic miracle, and an important trading partner, South Korea deserves a chance. S. 290 gives Korea that chance. Without it, under the current criteria, Korea is at least 2 or 3 years away from qualifying for VWPP. This is unacceptable. I believe my legislation provides an important interim step while we address whether the VWPP criteria is being objectively applied to Korean travelers.

Senator ABRAHAM. Senator Inouye.

#### STATEMENT OF HON. DANIEL K. INOUE

Senator INOUE. Mr. Chairman, I thank you very much for placing S. 290 on your agenda. Before I proceed, may I request that my full statement be made part of the record?

Senator ABRAHAM. It will be made part of the record.

Senator INOUE. If I may just summarize—before I do, I am very pleased to be in the company of my distinguished Lieutenant Governor from the State of Hawaii, Mazie Hirono. She is one of the national leaders in the move to support S. 290, so you will hear much from her.

I am certain that many members of this panel and others will speak most adequately on the economic advantages and business importance of this measure. I am certain they will discuss with you most convincingly those provisions that have been included in the proposed program that would appropriately address the shortcomings that have been suggested by the administration.

Senator Murkowski has done a good job in setting forth the additional restrictions that we have placed in the measure that should deter the possibility of illegal immigration, such as a short-term pilot program of 3 years, a stay of no more than 15 days, a bonding requirement, and the authority to cancel the program if such is necessary.

I would like to, Mr. Chairman, however, spend the time to speak of the proposed program from another vantage point. With the demolition of the Berlin Wall and the demise of the Soviet Union, we heralded the end of the Cold War, and as such I am certain we agree that most Americans contend and believe that the dangers that once existed during the Cold War period are no longer part of the American lifestyle.

But I am certain that we all realize that at the 38th parallel of the Korean peninsula, there are still massive military forces on both sides. The general belief is that two-thirds of the North Korean forces are near or on the border. North Korea has 923,000 officers and men in the army, and it may be interesting to us to know that 10,000 artillery pieces are aimed directly at one target, the city of Seoul. In addition, North Korea has 85,000 men and women in the air force and 40,000 in the navy. This military force is second only to the People's Republic of China.

The South Korean Government from the beginning of its establishment soon after World War II has gone through a lot of turbulence politically, economically, and security-wise, but they have been consistent in one area. They have been our good friends. South Korea and the United States have served to maintain stability in the Korean peninsula, and thereby throughout the Asian mainland.

As Senator Murkowski stated, South Korea ranks fifth in the world as a market for U.S. exports, eighth as a source of imports from the United States, and one of our best trading partners. They have a free, capitalistic economy which we helped to establish, and therefore we can be proud of what they have accomplished. I am certain the government and the people of South Korea are watching these proceedings with much interest. Some feel that their integrity, their credibility, and their dignity are on the line.

On our recent trip to Korea, many of them told me that they have noted that Japan was one of the first eight countries to receive visa waiver status. They also note that several European countries also received visa waiver status, including Germany, a former World War II enemy. So, understandably, they are asking themselves, how long do we have to wait?

I believe it serves our best interest to grant this special recognition of South Korea, and I so most respectfully urge this committee to give favorable consideration to S. 290 because, like Senator Murkowski, I believe that the time has come for us to tell our friends that we trust them and we value their friendship.

Mr. Chairman, once again, I thank you for the opportunity to appear before you. May I ask that the statement of my Congressman, Neil Abercrombie, be made part of the record?

Senator ABRAHAM. It will be made part of the record.

Senator INOUE. Thank you very much, sir.

Senator ABRAHAM. Thank you, Senator, for your leadership on this.

[The prepared statements of Senator Inouye and Representative Abercrombie follow:]

#### PREPARED STATEMENT OF SENATOR DAN INOUE

Washington, D.C.—Thank you for the opportunity to appear before your committee to discuss matters relating to the Visa Waiver Pilot Program (VWPP) which will expire on September 19, 1997. I strongly support the reauthorization of the Visa Waiver Pilot Program. Should the Program be allowed to expire, prospective travelers who do not need United States visas will be required to obtain one. American Embassies in visa-waiver countries are no longer staffed or equipped to handle this workload. Delays due to visa processing will result in canceled travel plans and loss of significant tourism-related revenue in the United States.

The Visa Waiver Pilot Program has played a significant role in Hawaii's tourism and economy. I have always Supported a permanent extension of the Visa Waiver



Pilot Program. However, the committee continues to provide extensions only on a yearly basis. Accordingly, I urge the Committee to consider a multi-year extension for planning purposes should a permanent extension not be feasible at this point in time.

I am certain our friends and colleagues before you today will most adequately relate to the committee the economic advantages and business importance of S. 290, a Visa Waiver Pilot Program for Korean nationals. I am certain they will discuss with you most convincingly those provisions that have been included in the proposed Program that would appropriately address the shortcomings suggested by the Administration. Additional restrictions were placed to help deter the possibility of illegal immigration, including a short-term pilot program of three-years; a short-term stay of no more than 15 days; a bonding requirement; and the authority to cancel the Program, if necessary.

However, I wish to spend the time allotted to speak of the proposed Program from a different vantage point. With the demolition of the Berlin Wall and the demise of the Soviet Union, we heralded the end of the Cold War. As such, most Americans do contend and believe that the dangers that once existed during the Cold War period are no longer a part of the American lifestyle.

I am certain that we all realize that at the 38th Parallel of the Korean Peninsula there are still massive military forces on both sides. The general belief is that two-thirds of the North Korean forces are near or on the border. North Korea has 923,000 officers and men in the Army, with 10,000 artillery pieces aimed at the City of Seoul. In addition, North Korea has 85,000 men and women in the Air Force and 46,000 in the Navy. This military force is second only to the People's Republic of China in the Asian continent.

The South Korean government from the beginning of its establishment after World War II has gone through much turbulence politically, economically, and security wise, but have been consistent in one area—they have been our good friends. South Korea and the United States have served to maintain stability in the Korean Peninsula and thereby throughout the Asian mainland.

South Korea ranks fifth in the world as a market for United States exports, eighth as a source of imports for the United States, and seventh overall as a United States trade partner. They have a free capitalistic economy which we helped to establish and therefore we can be proud of what they have accomplished.

I am certain the government and the people of South Korea are watching these proceedings with much interest. Some feel that their integrity, credibility, and dignity are on the line. They have noted that Japan was one of the first eight countries to receive visa waiver status. They also note that several European countries also received visa waiver status including Germany, a former World War II enemy. So understandably, they are asking themselves, "how long do we have to wait?"

I believe it serves our best interest to grant special recognition of South Korea. I urge this committee to give favorable consideration to S. 290. I believe time has come to tell our friends that we trust them and value their friendship.

---

PREPARED STATEMENT OF CONGRESSMAN NEIL ABERCROMBIE, A U.S.  
REPRESENTATIVE FROM THE STATE OF HAWAII

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity to present testimony in regard to the visa waiver pilot program. Specifically, I would like to focus my comments on South Korea and the Visa Waiver Pilot Program (VWPP).

In 1995, South Korean visitors entering the United States spent nearly \$2 billion. This meant economic growth and jobs for Americans particularly those in states most visited by South Korean tourists. At the top of Korean visitor destinations in the United States is California, visited by 56 percent of Korean visitors, followed by New York at 21 percent and Hawaii at 18 percent.

Travel and tourism is an area where the United States has a favorable balance of trade with the rest of the world. We must continue to foster and encourage this industry.

For these reasons I cannot accept the State Department's position which continues to restrict Korean travelers by not allowing Republic of Korea to participate in the VWPP. While the VWPP has proven to be successful in the past, it is time to reexamine the standards used to determine which nations are designated VWPP. For example, while the designation of countries such as Liechtenstein and San Marino as VWPP participants facilitate administrative procedures, such action does nothing to substantially boost the U.S. travel and tourism industry. Since 1987, the United States has seen a steady growth in Korean visitors but with our cumbersome



visa process we are needlessly sacrificing our market share to countries like Australia and Canada which have found it possible to accommodate an expanding Korean visitor base without compromising their immigration and security interests.

The argument against tourist visa waivers revolves around overstays under current policies. My contention is tourism resulting from a VWPP would result in a decrease in this phenomenon, particularly with the increase in package tours which would follow implementation of a VWPP. Even stiff visa standards will not prevent individuals determined to overstay from doing so. The average tourist in a VWPP has no such intention. To deprive our economy of the obvious benefits associated with increased tourism runs counter to our interests.

No where is this more evident than in Hawaii. Unfortunately, Hawaii's economy is not experiencing the same recovery as the rest of the nation. Maybe more than any other state, our economy is dependent on tourism. You must allow us to open our doors to new markets and new visitors. Our economy will benefit by welcoming Korean visitors.

This is the primary reason that I have introduced legislation, H.R. 627, on this issue. H.R. 627 is a companion measure to legislation, S. 290, introduced in the United States Senate by Senator Frank Murkowski from Alaska. It is a good faith effort to acknowledge and be responsive to concerns on this issue.

Major provisions of the bill include:

- The Secretary of State and the Attorney General shall establish a pilot program within six months of the date enactment.
- The program period will last for three years upon establishment.
- The program is only open to Koreans seeking admission to the United States as a visitor for pleasure, as part of a group tour.
- The period of stay by visitors to the United States shall not last more than 15 days.
- Visitors must have a round-trip ticket.
- The alien has been determined not to represent a threat to the welfare, health, safety, or security of the United States.

Under the pilot project small Korean tour groups could bring Korean visitors to the United States without visas subject to the following restrictions:

- Tour operators must post a \$200,000 bond with the Secretary of State.
- Tour operators must meet the standards set by the Secretary of State.
- Tour operators must provide personal information on each prospective tour group member to the Secretary of State for the purposes of security screening.
- Tour operators must provide certification which documents the return of each Korean visitor.

Failure to meet the specified requirements will result in financial penalties for the individual Korean tour operator.

The Secretary of State may terminate tour agent participation in the program based on periodic reviews on the over stay rate.

The Attorney General and Secretary of State may terminate the program one year after the establishment of the program dependent on overstay rates.

I want H.R. 627 to build upon the Travel Agent Referral Program (TARP). Just like TARP, H.R. 627 is limited to tourist visas. As you know, TARP was put into place at the discretion of our post in Seoul. Under TARP, Korean travel agents designated the U.S. Embassy in Seoul must obtain specific information and are given specific guidelines which they must follow to submit visa applications on behalf of their clients. The applications are still reviewed by consular officers, but the front end work in the application process is all done by Korean travel agents. Already, 35 percent of the visa applications processed are initiated through TARP.

During the last couple of years our embassy in Seoul has worked out a system whereby Korean travel agents participating in TARP can enter the data electronically. While the State Department cannot give me exact figures, it is my understanding that the approval rate for applications initiated under the TARP is very near to 100 percent. TARP gives us the infrastructure to make H.R. 627 work.

Under H.R. 627 Korean travel agents have a vested interest in sticking to the rules. H.R. 627 contains strict criteria. H.R. 627 does not shift enforcement or responsibility to foreign agents. H.R. 627 does not compromise the security interests of the United States. H.R. 627 provides adequate time for federal officials to check prospective visitors against law enforcement data bases.

The United States needs to move forward on this issue. We cannot stand still while the rest of the world takes the initiative on the travel and tourism.

Senator ABRAHAM. We have been joined by Congressman Jay Kim from California, and we appreciate your being here and we will turn to you now for your testimony, Congressman.

#### STATEMENT OF HON. JAY KIM

Representative KIM. Well, thank you, Chairman Abraham and members of the committee. I would like to thank you again for inviting me today to testify this afternoon on behalf of providing a visa exemption for Koreans visiting the United States similar to that enjoyed by 27 other nations.

Like our colleagues from Hawaii and Alaska, I am here today to endorse the business visa inclusion of South Korea in the Visa Waiver Pilot Program. As Senator Murkowski explained, this current legislation only grants an exemption for Koreans who come in large, prearranged tour groups. I appreciate the concept. Tourism is very important to Alaska and Hawaii, and even California, for that matter. However, I believe that business travel is equally important.

Korea is a rapidly growing economic power. As you know, Korean businesses are looking to invest their money worldwide, including in the United States. Business deals often require last-minute arrangements and visits. It is not feasible for the businessman to travel to the United States as part of a group tour. Likewise, it is not feasible for businessmen and women to have to wait up to months to get their visa applications approved. By then, the deal is going to be lost.

Therefore, I believe that the business visa inclusion of Korea in this Visa Waiver Program is the best solution. We should provide Korea with the same exemptions we provide to the other 27 nations in the Visa Waiver Program—an exemption for all short-term visits, travel and business.

This is an American issue just as much as it is a Korean one. United States businesses desperately want Korea to become a member of the Visa Waiver Program. This is the American Chamber of Commerce in Korea's No. 1 issue. They are the ones who initiated this whole issue. In fact, I was in Korea 2 weeks ago and the first question U.S. businessmen that I met with asked is, "when are we going to have this Korea visa waiver program?"

I have met with many U.S. business people who feel that they have lost golden opportunities to enter into business relationships and attract investment to the United States from Korea because the Koreans don't want to have to deal with this hassle. I understand that they want to send Korean scientists to the United States for an urgent assignment and couldn't do it because it takes months to get a visa. Instead, the Koreans are turning to Canada and Australia, both countries that have either removed or relaxed visa restrictions to Korean business people.

I want to skip a few of them here.

I understand the concern is this may increase some illegal immigration situation. That is not true. Look at the other countries, such as New Zealand, Canada, Mexico, Australia that have removed all the visa restrictions. They are not complaining about the misuse of the Visa Waiver Program by Korean business people.

Again, I want to revise and extend my remarks and submit this for the official record.

You can ask Canada or New Zealand and they have reported—I have got a copy in my office—that there is no dramatic increase since they waived their visa requirements for Korean business people whatsoever.

I would like to thank you again for inviting me today, and I do have some more, a couple of pages, but—

Senator ABRAHAM. We appreciate it, and we will include your full statement, as you edited it or would like it submitted, in the record.

[The prepared statement of Representative Kim follows:]

PREPARED STATEMENT OF HON. JAY KIM

Chairman Abraham and Members of the Committee, thank you for inviting me to testify this afternoon on behalf of providing a visa exemption for Koreans visiting the United States, similar to that enjoyed by 27 other countries. I appreciate the opportunity and look forward to a healthy exchange of ideas with you all.

Unlike our colleagues from Alaska and Hawaii, I am here today to endorse the full inclusion of South Korea in the Visa Waiver Pilot Program. As Senator Murkowski explained, his current legislation only grants an exemption for Koreans who come in large, pre-arranged tour groups. I appreciate the concept: tourism is very important to Alaska and Hawaii. Even to California, for that matter.

However, I believe that business travel is equally important, if not more so. Korea is a rapidly growing economic power, and Korean businesses are looking to invest their money worldwide, including in the United States. Business deals often require last minute arrangements and visits. It is not feasible for a businessman to travel to the U.S. as part of a group tour. Likewise, it is not feasible for businessmen to have to wait up to a month to get their visa application approved. By then, the deal is lost.

Therefore, I believe that the full inclusion of Korea in the VWPP is the best solution. We should provide Korea with the same exemption we provide to the other 27 countries in the VWPP: an exemption for all short term visitors: travel and business.

This is an American issue just as much as it is a Korean one. U.S. businesses desperately want Korea to become a member of the VWPP. This is the American Chamber of Commerce in Korea's number one issue. In fact, I was just in Korea two weeks ago, and the first question the U.S. businessmen that I met with asked was, "When are we going to give Korea the visa exemption?"

I have met with many U.S. businesses who feel that they have lost golden opportunities to enter into business relationships and attract investment to the U.S. from Korean companies because the Koreans don't want to have to deal with our visa hassle. Instead, these Koreans are turning to Canada and Australia, both countries that have either removed or relaxed visa restrictions on Koreans.

Korea, an OECD member, is a major U.S. trade partner, currently our sixth largest. Last year, U.S.-Korea bilateral trade amounted to \$54.4 billion—greater than our trade with 23 of the 27 VWPP countries. In 1995 the U.S. held a \$6 billion trade surplus with Seoul. That surplus is expected to grow to be nearly \$10 billion by the end of this year. If we expect to continue to have this strong trade relationship with Seoul, I believe we must cultivate a more business-friendly environment.

Including Korea in the VWPP will also have a tremendous direct effect on our local economies. Studies show that each Korean visitor spends an average of just over \$2,000 during a visit to the U.S., not including airfare. Last year 700,000 Korean visitors spent nearly \$1 billion in the U.S. This is money spent in each of our communities: dollars to local hotels, restaurants and other businesses. We can expect this economic impact to dramatically increase if Korea were allowed into the VWPP.

Regardless of what we do, Koreans will still take vacations and make business deals. Thus, if we do not relax our visa requirement for Korea, Korean money is going to stop flowing into our communities and will move to more friendly countries like Canada, Mexico, Australia or New Zealand—all countries that have visa agreements with Korea. We lose.

Some have raised the concern that including Korea in the VWPP would lead to a dramatic increase in illegal immigration from Korea. This argument overlooks the

fact that Korea currently has the world's 11th largest economy and has growth and wage rates among the highest in Asia. The fact is, recent trends indicate that more Koreans and Korean-Americans than ever are returning to Korea in order to take advantage of the economic boom there. By the way, neither Canada nor New Zealand has reported a dramatic increase since they waived their visa requirements for Koreans.

Mr. Chairman, the Visa Waiver Pilot Program is a good program, and it serves the United States well by easing visa requirements for people in countries with which we have had close ties and whom we can trust not to abuse the system. I support the reauthorization of the VWPP, and simply ask that we update the program to reflect new changes and include one of our most important strategic, business and cultural allies: South Korea.

Thank you Mr. Chairman, and I welcome the opportunity to answer the committee's questions.

Senator ABRAHAM. I believe a vote may have just started, so we will have Governor Allen testify. And I don't know, Governor Hirono, if you can be patient with us while we run to vote, after his testimony, I would appreciate it. I will at least pledge to come right back, and we won't hold the other members, necessarily, to that standard.

Governor Allen, thank you for being here and we welcome you now in your new capacity. I know you have testified here both as a member as well as a Governor before, but thanks for being with us today.

#### STATEMENT OF HON. GEORGE ALLEN

Governor ALLEN. Thank you, Mr. Chairman, and I appreciate the opportunity to speak on behalf of the reauthorization of the Visa Waiver Pilot Program and voice my support for including the Republic of Korea in the VWPP. It is a pleasure for me to join such a distinguished panel as Senator Murkowski, Senator Inouye, Congressman Kim, and Lieutenant Governor Hirono.

I am wearing a tie from the Governor of Kyongju in Korea. We have a sister state relationship with Governor Li and the people of Kyongju Do and Virginia.

The Visa Waiver Pilot Program has been a valuable asset as far as travel, tourism, and business opportunities in the Commonwealth of Virginia and across the Nation, and I am speaking as the Governor of Virginia as well as chairman of the Southern Governors in giving you the States' perspective of this issue.

Obviously, the Visa Waiver Program plays a large role in ensuring that the United States, each and every one of our States, and our country as a whole remain competitive with other international travel and business markets. In fact, roughly 50 percent of the visitors who come to the United States each year travel under the Visa Waiver Program. In 1993 alone, this program—the fact that it is in place—this program saved the taxpayers an estimated \$175 million in visa processing costs, which is good for the taxpayers and to help balance the budget as well.

We can improve, I think, the visa waiver process by including the Republic of Korea. They are a military, economic, and diplomatic ally. Others have testified as to how strong they are and growing as a nation. We also, I might add, have a trade surplus of \$3.9 billion with the Republic of Korea. They are a valued trading partner for the Commonwealth of Virginia as well. They rank fourth among our export destinations, nearly \$1 billion of exports in 1995.

They are also very generous. We have a MacArthur Memorial, and the biggest contributors to the MacArthur Memorial in Norfolk, VA, are companies and individuals from the Republic of Korea, who very much appreciate what General MacArthur and the troops did in the Korean War.

Unfortunately, the current visa requirements dictate that many potential visitors from South Korea have to face delays and obstacles. This is especially significant considering that the largest group of travelers visiting the United States from Korea are here on business. I went to Korea in 1996, in the spring of 1996, on a trade mission to Korea. Business leaders there brought this visa issue to my attention as one of their highest and most pressing concerns. They looked at it as an impediment to business. They looked at it as an impediment of building relationships between the people of Korea and the United States.

I listened to them and then when I got back home, I acted on it and I asked the Southern Governors' Association to pass a resolution extending the Visa Waiver Program to our friends from Korea. On September 10, 1996, the Southern Governors' Association unanimously approved extending the Visa Waiver Program to our friends from South Korea.

Then, a few months later, in December 1996, the Western Governors' Association adopted a similar resolution in relation to extension, of course, of the Visa Waiver Pilot Program and including South Korea. Just last month, on June 4, 1997, the National Governors' Association [NGA] finally also passed such a resolution. I would like to enter the letter from the NGA to you and Senator Kennedy.

Senator ABRAHAM. We will include it in the record.

Governor ALLEN. Thank you.

Now, the reality is that the Embassy in Seoul processes more nonimmigrant visa applications than any other consulate in the world, over 550,000, and they are estimated to have to go through 750,000 in the upcoming year. The result is—and you hear it from so many people, and we heard it from the Senators—that folks have to wait sometimes up to 2 days, queued up in a line around the Embassy, just to get their visa. Now, that is hardly conducive to building relationships and making it easier for people to be in contact, whether for travel, tourism, or for business.

There are many occasions where business deals have been lost because of this situation, and clearly it must be improved. Other nations are exploiting our competitive disadvantage. We are in a war of competition with other nations. We have to do everything we can to make sure what we are doing here in the United States is helping us. Forty-eight countries provide visa waivers to South Korea and there is significant evidence to indicate that the U.S. is losing Korean visitors to other countries with friendlier visa programs, whether that is business or tourism. In today's internationally competitive marketplace, we cannot afford to have this disadvantage in our race to attract new jobs, new investment, and more tourism dollars. The Chamber of Commerce of Korea, of course, has endorsed this as well.

There are 27 countries that are participating in the Visa Waiver Program. Yet, South Korea is our only large trading partner not to

be included. South Korea reciprocates. They allow our folks to come in there on business trips, up to 15 days. They extend important visa waivers to business efforts, and the readability, and so forth. All of that is already in place.

As far as these two bills, I think that S. 290 is a good one, in that it has a 3-year pilot. Congressman Kim's is a good bill, also, in that it doesn't apply just to tourism, also to business, but it only lasts 1 year. I would encourage you to take the best of both. I think the 3-year provision and the tourism—put it in and make sure that business is included, as well, and I think you would have a fine bill. What you would be doing is making sure that we get more jobs, more tourism, and more economic vitality for us in the United States, as well as building our relations with our allies and good friends from the Republic of Korea.

Senator ABRAHAM. Governor Allen, thank you very much.

[The prepared statement of Governor Allen and the letter referred to follow:]

#### PREPARED STATEMENT OF HON. GEORGE ALLEN

Thank you, Senator Abraham. I appreciate the opportunity to speak on behalf of the reauthorization of the Visa Waiver Pilot Program (VWPP), and to voice my support for including the Republic of Korea in the VWPP. It is certainly a pleasure to join this distinguished panel.

The Visa Waiver Pilot Program has been a valuable asset in promoting travel, tourism, and business opportunities in Virginia and across the nation. It plays a large role in ensuring that the United States remains competitive with other travel and business markets abroad.

In fact, roughly 50 percent of the visitors who come to the U.S. each year travel under the VWPP. In 1993 alone, this program saved taxpayers an estimated \$175 million on visa processing costs. Renewing the VWPP certainly makes good sense as we try to balance the federal budget.

One way we can improve the VWPP is by including South Korea:

- The Republic of Korea is an important military, diplomatic, and economic ally.
- South Korea is the eleventh largest economy in the world—and predicted to be among the top seven by 2010.
- It is the United States' fifth largest export market (\$26.5 billion in '96) and the seventh largest overall trading partner (more than \$50 billion in '96).
- In 1996, the U.S. posted a trade surplus of \$3.9 billion with South Korea.

The Republic of Korea is certainly a valued trading partner with the Commonwealth of Virginia as well. It ranks fourth among Virginia's export destinations—with \$971 million in exports in 1995.

Unfortunately, the current visa requirements dictate that many potential visitors from South Korea face numerous delays and obstacles. This is especially significant considering the largest group of travelers visiting the U.S. from Korea are here on business.

During my 1996 trade mission to Korea, business leaders there brought the visa issue to my attention as one of their specific concerns. As a result, I submitted a resolution to the Southern Governors' Association (SGA)—cosponsored by Governor Mel Carnahan of Missouri—supporting the extension of the VWPP to include the Republic of Korea.

The SGA unanimously endorsed this measure, and our position was subsequently adopted by the Western Governors' Association (WGA) and the National Governors' Association (NGA). Mr. Chairman, I would like to submit a copy of the SGA, WGA, and NGA resolutions for the record.

The U.S. Embassy in Seoul processes more non-immigrant visa applications than any other consulate in the world—over 550,000 last year alone. They expect to process more than 750,000 this year.

As a result, many South Koreans must stand in line for up to two days in order to obtain a visa for travel in the U.S. According to the American Chamber of Commerce in Korea, there are many instances where U.S. companies lost business deals because their Korean partner could not secure a U.S. visa fast enough.

Other nations are exploiting our cumbersome visa requirements. Forty-eight countries already provide visa waivers to South Korea, and there is significant evidence to indicate that the U.S. is losing Korean visitors to other countries with friendlier visa programs.

In today's increasingly competitive international marketplace, we cannot afford to be at a disadvantage in the race to attract new jobs, investments and tourism dollars. For this reason, the American Chamber of Commerce in Korea has joined with other business organizations in support of expanding visa waiver status to South Korea.

Korea has made remarkable progress in working towards the requirements laid out for inclusion in the VWPP. For example, they have decreased their visa refusal rate from 6.3 percent to 2.8 percent in only one year, and already have reciprocal treatment for our citizens and electronically readable passports.

Currently, there are twenty-seven countries participating in the VWPP. In fact, South Korea is our only large trading partner not included. At the same time, South Korea does grant visa waivers to our citizens for tourism or business trips lasting up to fifteen days. Extending the VWPP to Korea will help ensure that Americans continue to receive these important visa waivers—and that business ties between our countries will grow stronger in the days ahead.

Including South Korea in the Visa Waiver Pilot Program will produce positive economic results for our citizens and our taxpayers. I join the other members of this panel in urging the Committee to reauthorize the VWPP and extend those same benefits to our friends and allies in South Korea.

Thank you very much.

---

#### SOUTHERN GOVERNORS' ASSOCIATION

##### RESOLUTION REGARDING NON-IMMIGRANT VISAS FOR SOUTH KOREANS

*Sponsored by Governor George Allen of Virginia and Governor Mel Carnahan of Missouri, Approved September 10, 1996, Southern Governors' Association's 62nd Annual Meeting, Kansas City, Missouri*

Whereas, The Republic of Korea—better known as South Korea—is the sixth largest trading partner of the United States;

Whereas, In 1995, total U.S. exports to the Republic of Korea totaled nearly \$30 billion;

Whereas, U.S. businesses have a cumulative direct investment of more than \$3 billion in the Republic of Korea;

Whereas, The United States continues to have a special and strong relationship with the Republic of Korea;

Whereas, The nations of the Pacific Rim, including the Republic of Korea, are important trading partners for southern States;

Whereas, The Southern Governors' Association recognizes the importance of trade in supporting economic development in the region;

Whereas, Travel between the Republic of Korea and the southern States, whether for business or vacation, is critical to strengthening this trade;

Whereas, The largest group of South Koreans visiting the United States are business travelers;

Whereas, some 3,000 Republic of Korea residents apply for non-immigrant U.S. visas daily;

Whereas, South Koreans must often stand in line at the U.S. Embassy in Seoul for up to two days in order to obtain a visa for travel to the United States;

Whereas, The Visa Waiver Pilot Program is designed under U.S. law to provide citizens of foreign countries—primarily business executives and tourists—the ability to travel to the U.S. for short stays without visas;

Whereas, The Republic of Korea is one of our only large trading partners that is not allowed to participate in the Visa Waiver Pilot Program;

Whereas, Exceptions to the Visa Waiver Pilot Program have been legislated by Congress in the past; and

Whereas, Extending this pilot program to South Korean citizens would help business executives traveling from the Republic of Korea to southern States and assist economic development in the region; now, therefore, be it

*Resolved*, That the Southern Governors' Association recognizes the importance of the Pacific Rim countries in the world economy and the need to encourage companies from these countries to trade and invest with the States in the South;

*Resolved*, That the Southern Governors' Association supports making it easier for business executives and tourists from the Republic of Korea to visit the southern



States by supporting the Republic of Korea's inclusion in the Visa Waiver Pilot Program through regulatory or legislative means; and

*Ordered*, That this resolution shall be dispatched to the President of the United States, Vice President of the United States, the U.S. Department of State, and appropriate Members of Congress and congressional committees, including the southern delegation.

---

WESTERN GOVERNORS' ASSOCIATION

RESOLUTION 96-023

December 20, 1996

Sponsors: Governors Cayetano and Knowles

Subject: Visa Waiver Program for South Korea

*A. Background*

1. The Republic of Korea (South Korea) is a strategic military ally of the United States and it allows the stationing of 38,000 U.S. troops on its soil. South Korea is also the world's eleventh largest economy. 1995 bilateral trade between South Korea and the United States totaled \$54.5 billion. In 1995, South Korea was the fifth largest export market for the United States. These military and economic ties are complemented by historic cultural ties between the people of South Korea and the people of the United States.

2. In 1995, travel and tourism was the largest service export of the United States in that it generated \$78 billion in expenditures from 45 million international visitors. As a result of its healthy economy, South Korea's outbound travel market is surging and it is estimated that 8.5 million South Koreans will travel abroad in 2004. The federal visa waiver pilot program has been a boom to international travel by providing citizens of 24 countries with the ability to travel to the United States for short stays without visas.

3. The visa waiver program does not presently extend to South Korea. South Koreans are therefore required to obtain a visa to enter the United States. The U.S. Embassy in Seoul issued more non-immigrant visas (400,000) in 1995 than any U.S. embassy in the world. During peak travel seasons, the U.S. Embassy in Seoul processes 3,500 to 4,500 non-immigrant visa applications each day, and an average of 1,500 non-immigrant visa applications per work day at non-peak times.

4. Visas are intended to prevent illegal immigration into the United States. However, the South Korean economy is rapidly expanding and citizens have little incentive to immigrate to the United States illegally. Moreover, South Koreans often faced significant delays and adverse conditions in applying for visas and this hinders their travel to western states. For South Korea and the United States, the visa barrier is not an immigration issue, but rather an economic issue that acts to restrict economic development in the West and limit western exports to South Korea.

*B. Governors' policy statement*

1. The Western Governors' Association (WGA) urges the U.S. Congress to enact legislation that would allow South Korean citizens to travel to the United States under a visa waiver program. In doing so, the WGA recognizes the special relationship between the United States and South Korea. The WGA also recognizes the growing importance of travel and tourism to the United States economy. Travel and tourism play a significant role in expanding western U.S. exports of goods and services and in increasing foreign investment in the region.

2. The WGA believes that incorporation of programs such as the Travel Agent Referral Program could assist in achieving acceptable levels for key criteria necessary to participate in a visa waiver program. In 1995, over 35 percent of the visa applications were received through the Travel Agent Referral Program. This program permits South Koreans 25 years of age and older to apply for visas through their travel agents. Participants of this program have a 1 percent refusal rate as their travel agents provide an initial screening.

*C. Governors' management directive*

1. The WGA shall convey this resolution to the President and Vice-President of the United States, the Secretary of State, the Secretary of Commerce, to the Chairman and Ranking Member of the Senate Commerce, Science and Transportation Committee, the Senate Foreign Relations Committee, the Senate Judiciary Committee, the House Commerce Committee, the House International Relations Committee,



and the House Judiciary Committee, as well as the Western Congressional Delegation.

---

NATIONAL GOVERNORS' ASSOCIATION,  
Washington, DC, June 19, 1997.

Hon. SPENCER ABRAHAM,  
*Chair, Immigration Subcommittee,  
Judiciary Committee, U.S. Senate,  
Washington, DC.*

Hon. EDWARD M. KENNEDY,  
*Ranking Democratic Member, Immigration Subcommittee,  
Judiciary Committee, U.S. Senate,  
Washington, DC.*

DEAR CHAIRMAN ABRAHAM AND SENATOR KENNEDY: On behalf of the National Governors' Association (NGA), we commend you for holding a hearing on the status of the Visa Waiver Pilot Program (VWPP) and the extension of visa waivers to the Republic of Korea (South Korea). Based on recently adopted NGA policy, the Governors urge you to establish a permanent visa waiver program in the United States and extend visa waiver status to South Korea.

Travel and tourism is a critical industry for states, and the Governors consistently have promoted actions to help ease the obstacles to U.S. travel for foreign businesspeople and tourists. Currently, twenty-five countries, including Australia, France, Germany, and the United Kingdom, participate in the highly successful VWPP. Without congressional action, this program will expire October 1, 1997. Expiration of VWPP would create a backlog of visa applications that would be impossible to manage efficiently under the U.S. State Department's current staff and budget restrictions.

In line with the objective of streamlining U.S. travel for foreigners, the Governors endorse the extension of visa waivers to South Korea—the world's eleventh largest economy and our country's seventh largest trading partner. Despite a significant increase in foreign travel by South Korean citizens for both business and leisure purposes, the rate of their travel to the United States has risen only marginally. States have seen indications that the complicated U.S. visa application procedure means fewer Korean tourists, who are more likely to visit competing countries with "friendlier" entry requirements.

The Governors look forward to working with you to establish a permanent visa waiver program and extend visa waivers to South Korea as soon as possible. Thank you for your consideration of our positions on these issues. A copy of NGA policy and of a brief background paper are attached. Please include our letter and attachments in the hearing record.

Sincerely,

GOVERNOR PAUL E. PATTON,  
*Chair, Committee on Economic De-  
velopment and Commerce.*

GOVERNOR EDWARD T. SCHAFER,  
*Vice Chair, Committee on Economic  
Development and Commerce.*

---

NATIONAL GOVERNORS' ASSOCIATION—NGA POLICY

EDC-12. ESTABLISHING A PERMANENT VISA WAIVER PROGRAM AND EXTENDING VISA WAIVERS TO THE REPUBLIC OF KOREA(SOUTH KOREA)

**12.1 Preamble**

A key objective of tourism-related efforts by the United States must be to keep delays at ports of entry from becoming a deterrent to ongoing and increased international travel to our country. Federal agencies should aggressively cut red tape and ease obstacles to travel in the United States in areas such as visas, passports, currency exchange requirements, and customs congestion. The Governors endorse the expansion of efforts in these areas, consistent with security and drug enforcement considerations. The federal government should work with states and private industry to facilitate the travel of tourists whose language and cultural differences are barriers to safe or enjoyable travel. The Governors recommend that the federal government utilize technology, where affordable and practical, to speed the entry of frequent international business travelers through points of entry.

## 12.2 Permanent Visa Waiver Program

In order to facilitate expansion of the tourism industry, the Governors urge Congress to enact a permanent visa waiver program. The Visa Waiver Pilot Program (VWPP), limited to three years when first implemented in 1988, has been reauthorized several times. Twenty-five countries currently participate in the program, and states have benefited economically from the program's success. Last year, Congress extended the VWPP for only one year. It will expire on October 1, 1997, unless Congress takes timely action.

## 12.3 Visa Waivers for the Republic of Korea

The Governors support the inclusion of the Republic of Korea (South Korea) in the visa waiver program. Rising incomes have allowed Koreans to spend more money on travel, with the United States becoming an increasingly popular destination. However, the complicated visa application procedure in the United States means fewer Korean tourists, who are more likely to visit competing countries with "friendlier" entry requirements. Currently, South Korea is experiencing a "reverse immigration" trend, meaning South Korean immigrants living in the United States are returning to South Korea. More importantly, the visa refusal rate has dropped from 6.3 percent in fiscal 1995 to 2.87 percent in fiscal 1996. The Governors believe that extending visa waivers to South Korea will produce substantial economic benefits to the United States.

*Interim Policy approved by the NGA Committee on Economic Development and Commerce, June 4, 1997.*

---

### BACKGROUND ON THE VISA WAIVER PROGRAM

The purpose of this paper is to provide background on the issue of establishing a permanent visa waiver program and on the issue of extending visa waivers to the Republic of Korea (South Korea).

#### *Visa Waiver Pilot Program (VWPP)*

The VWPP allows international travelers, tourists, and business people to enter the United States for a limited period of time without a visa. Citizens from countries that do not qualify for the program must apply for a visa in order to enter the United States for any period of time. U.S. Embassy officials process these visa applications for numerous tourists, business travelers, and students who wish to travel to the United States. Currently, the following twenty-five countries participate in the VWPP: Andorra, Argentina, Australia, Austria, Belgium, Brunei, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Japan, Liechtenstein, Luxembourg, Monaco, the Netherlands, New Zealand, Norway, San Marino, Spain, Sweden, Switzerland, and the United Kingdom.

Roughly fifty percent of the foreign visitors to the United States travel here under the VWPP. In 1993 alone, forty-four million foreign visitors came to the United States, and the VWPP saved U.S. taxpayers an estimated \$175 million on visa processing costs. The VWPP was first implemented in 1988 and has been renewed since that time by Congress for limited intervals. It is now scheduled to expire unless Congress acts to renew it.

In order to qualify for the VWPP, a country must meet the following four requirements:

- The average visa refusal rate (for tourism and temporary visas not student visas) must be less than 2.0 percent for two consecutive years and in neither of those two years may the refusal rate be above 2.5 percent;
- The country must provide reciprocal treatment for U.S. citizens;
- The country must have developed or be in the process of developing an electronically readable passport; and
- The U.S. attorney general, in consultation with the U.S. Department of State, must conclude that extending visa waivers to the country will not compromise U.S. law enforcement.

The U.S. Department of Justice administers the VWPP, in consultation with the U.S. Department of State, and it is considered to be an important component of states' economic development programs. The flexibility permitted to individual visitors under the VWPP helps the tourism industry and facilitates foreign direct investment, both of which help to create new jobs and supply additional revenue to the states. NGA policy currently supports the establishment of a permanent visa waiver program, consistent with security and drug enforcement considerations.

### *Visa Waivers for South Korea*

The Republic of Korea (South Korea), with a population of more than 46 million people, is the world's eleventh largest economy and the seventh largest trading partner of the United States. In 1996, South Korea was the United States' fifth largest merchandise export market, at \$26.6 billion.

Despite concerns raised by officials at the U.S. Department of State regarding South Korea's current failure to meet the technical requirements of the program, both the Western Governors Association (WGA) and the Southern Governors' Association (SGA) have adopted policy urging Congress to extend visa waivers to South Korea. South Korea's visa refusal rate has dropped from 6.3 percent in fiscal 1995 to 2.87 percent in fiscal 1996. With respect to the other required elements of the program, South Korea currently provides visa waivers to U.S. citizens for tourism or business trips of up to fifteen days and has an electronically readable passport. At this time, no information is available from the U.S. Department of Justice on the issue of security concerns related to the extension of visa waivers to South Korea.

Forty-eight other countries, including Canada, France, Germany, and Great Britain, already provide visa waivers to South Korea. Many states have expressed concern that the United States is losing South Korean visitors to the countries with friendlier visa programs toward South Korea. According to available figures, 3.4 million South Koreans traveled abroad in 1994, an increase of almost five times from the rate of individuals traveling abroad in 1988. However, travel by South Koreans to the United States has increased by only about two and a half times the rate during the same time period.

### *Status of Legislative Action*

Legislation to extend visa waivers to South Korea has been introduced in both houses. Senator Frank H. Murkowski (R-AK), Senator Daniel K. Inouye (D-HI), and Representative Neil Abercrombie (D-1st HI) have sponsored S. 290 and H.R. 627, companion bills titled "A Bill to Establish a Visa Waiver Pilot Program for Nationals of Korea Who are Traveling in Tour Groups to the United States." Representative Jay Kim (R-41st CA) has sponsored H.R. 203, "A Bill to Designate the Republic of Korea as a Visa Waiver Pilot Program Country for One Year Under the Immigration and Nationality Act." The Senate Judiciary Committee Subcommittee on Immigration is expected to hold hearings on S. 290 in June.

Senator ABRAHAM. We have got about 3 minutes to go for our vote, so we are going to temporarily recess the hearing and we will reconvene as soon as we get back.

[Recess.]

Senator ABRAHAM. We will now reconvene our hearing, with apparently fewer members able to be with us at this point, which is the way it often goes with a vote. But I have been assured by the remaining panelists that they are prepared to answer questions and ready to go.

But before we turn to any questions, we still have to hear from Lieutenant Governor Hirono from the State of Hawaii. We welcome you here and appreciate very much your participating today.

### **STATEMENT OF HON. MAZIE K. HIRONO**

Ms. HIRONO. Thank you very much. As we say in Hawaii, aloha. Mahalo for this opportunity to testify and present Governor Ben Cayetano's testimony. I will be skipping around, and so I would like to ask that his full statement be entered into the committee's record.

Senator ABRAHAM. It will be entered into the record.

Ms. HIRONO. Thank you.

As far as the current Visa Waiver Pilot Program, there is no question that Hawaii would like to have this reauthorized and for as long a period of time as possible. The importance of this program has been noted by the other testifiers, but I wanted to note that international travel and tourism contributes receipts of almost

\$90 billion annually to the U.S. economy, and this is an increase of over \$50 billion since 1988, when the current Visa Waiver Pilot Program was initiated.

Last year, it is estimated that the travel trade provided a positive balance of payments of over \$15 billion. Since the inception of the Visa Waiver Program, our international trade balance has been positive each and every year. It was negative in both of the 2 years prior to the program's implementation.

Visitor arrivals from the lucrative, high-spending overseas markets have shown extremely strong growth. Visitor arrivals from Japan, for example, increased by 21 percent, or 540,000 visitors to the United States in the first year alone. For Hawaii, visitor arrivals from Japan increased by almost 25 percent, or 250,000 new visitors in just the first year of the current program. Right now, there are almost 2 million visitors from Japan that come to Hawaii every year, so it has grown tremendously.

This program has obviously had a significant impact on Hawaii's economy. It has also impacted our entire Nation, as spending by overseas arrivals to Hawaii now accounts for over 20 percent of the total national travel trade balance. In this regard, Governor Cayetano has worked very closely with Governor Knowles of Alaska, Chair of the Western Governors' Association, to cosponsor a resolution from that organization supporting the visa waiver extension to Korea.

As also noted by previous speakers, the National Governors' Association will be meeting next week, and their Economic Development and Commerce Committee recently voted to add this language to the NGA interim tourism policy. We are expecting that the National Governors' Conference next week will adopt a resolution in support of having South Korea be accepted as a visa-waived country.

There is overwhelming evidence to support this action. As noted, South Korea's economy is robust and it is one of the world's fastest growing. Not only is the economy vibrant, but South Korea also has a strong trade relationship with the United States. In 1996, South Korea ranked seventh among the top 10 trading partners of the United States, and our exports to this country are greater than our exports to 22 other countries that are included in the existing Visa Waiver Program.

Governor Allen's testimony noted the importance of Virginia trade with South Korea. As other examples, South Korea ranks third among Hawaii's export destinations, with almost \$25 million in exports in 1995. The State of California's exports to South Korea rank South Korea as their third biggest export destination. California exports over \$6 billion to South Korea every year. For Michigan, it is the 11th largest export destination, with over \$367 million exported in 1995. In Iowa, it is their fifth largest export destination, with over \$87 million worth of exports being sent to South Korea.

The Republic of Korea has increased its outbound travel by over 700 percent in the last decade, to 4.6 million tourists in 1996. The United States gets approximately 800,000 of these visitors. It is expected that by the year 2004, the number of Korean outbound trav-

elers is projected to double, to 8.5 million outbound visitors annually.

We estimate that if South Korea were added to the Visa Waiver Pilot Program, the United States would see an incremental growth in visitors from South Korea of approximately 20 percent, and this could mean an additional 200,000 visitors to the United States in 1998, or a 1-percent increase in the total overseas travel count to the United States alone. This translates to new spending of over \$400 million and could easily lead to the creation of 10,000 new jobs nationwide.

According to the U.S. Embassy in Seoul, the United States is the first destination of choice for South Koreans, with the top five destination States being California, Nevada, Hawaii, New York, and Arizona. Currently, California gets about 40 percent of all visitors to the United States from South Korea.

I would like to close by focusing on one aspect of the Korean visa waiver issue which Governor Cayetano particularly wanted me to emphasize, and that is the negative impact that this issue may have on our relationship with the Republic of Korea. There is a long history of friendship between the United States and the Republic of Korea. The sacrifice of more than 54,000 Americans lost during the Korean War and the 37,000 American troops stationed today in Korea are examples of the strong bond between our two countries.

Korea is one of our strongest allies in the Pacific and, of course, trust is an integral part of that relationship. The current visa regulations do little to promote greater trust between the United States and Korea. We respectfully ask that Congress take this into account in its deliberation of the Korean visa waiver question.

I recently returned from Korea last week, in fact, and I had the pleasure of seeing Congressman Kim there. There was no question that all of the people that I met with, from the President of South Korea, whom both the Governor and I had met in 1995, who was on his way to address the United Nations, the mayor of Seoul, the vice mayor of Pusan, two of the largest cities in South Korea, large business people, and certainly the Korean businesses who are involved in travel and tourism there, noted that the single biggest issue of concern to them is their acceptance as a visa-waived country.

Thank you very much for allowing me this opportunity to testify. [The prepared statement of Governor Cayetano, as presented by Ms. Hirono, follows:]

PREPARED STATEMENT OF HON. BENJAMIN J. CAYETANO, GOVERNOR, STATE OF  
HAWAII

Chairman Abraham, and Members of the Senate Judiciary Immigration Subcommittee, we appreciate your responsiveness to proposals that will stimulate international visitor traffic to the United States while simultaneously cutting government costs. The Visa Waiver Pilot Program (VWPP) is a proven stimulant to overseas arrivals, saves American taxpayers hundreds of millions of dollars annually and should be reauthorized. In addition, we ask that you adopt proposed legislation to expand the program to include the Republic of Korea.

International travel and tourism contributes receipts of almost \$90 billion annually to the United States economy. This is an increase of over \$50 billion since 1988 when the visa waiver program was initiated.

While it is difficult to attribute all of this increase to this program, clearly it has had a positive impact. Last year, over 67 percent of all overseas visitors to the U.S.

used this program. This means that of the 22 million overseas visitors in 1996, 15 million came from participating countries.

This has also impacted positively on our nation's balance of payments. Last year, it is estimated that the travel trade provided a positive balance of payments of over \$15 billion. Further, it is important to note that since the inception of the VWPP, our international travel trade balance has been positive each and every year. It was negative in both of the two years prior to its implementation.

More specifically, visitor arrivals from the lucrative high-spending overseas markets have shown extremely strong growth. For example, visitor arrivals from Japan increased by 21 percent or 540,000 visitors in the first year alone. For Hawaii, visitor arrivals from Japan increased by almost 25 percent or 250,000 new visitors in the first year. This program has had significant impact on Hawaii's economy in terms of visitor spending. It has also impacted our entire nation as spending by overseas arrivals to Hawaii now accounts for over 20 percent of the total national travel trade balance.

Because the visa waiver is a proven stimulant to international tourism, the State of Hawaii supports efforts to expand the program to the Republic of Korea. The strong growth of the economy and standard of living for Korea make that country a particularly attractive candidate for a visa waiver.

In this regard, I have worked very closely with Governor Tony Knowles of Alaska, Chairman of the Western Governors' Association (WGA), to co-sponsor a WGA resolution supporting expansion of the visa waiver program to Korea. This resolution was recently adopted by the WGA. Governor Knowles regrets that he cannot be here today to testify.

In addition, Governor Knowles and I supported the National Governors' Association (NGA) resolution in favor of visa waiver reauthorization and extension of this program to Korea. The NGA Economic Development and Commerce Committee recently voted to add this language to the NGA Interim Tourism Policy.

There is overwhelming evidence to support this action. For example, South Korea's economy is robust and is one of the world's fastest growing. Economic growth has been between 5 percent to 12 percent for each of the past 10 years. In 1996, its estimated Gross National Product (GNP) was \$520 billion, an increase of 7 percent over 1995. It is forecast to grow an additional 5 percent to 6 percent this year. Last year, South Korea became a member of the Organization for Economic Cooperation and Development (OECD), making it a full-fledged industrial country partner. Strong growth is expected to continue for several decades and by 2020, their economy is forecast to be the 7th largest economy in the world at \$4 trillion.

Not only is the economy vibrant, but South Korea also has a strong trade relationship with the United States. In 1996, South Korea ranked 7th among the top 10 trading partners of the U.S., and our exports to this country are greater than our exports to 22 other countries that are included in the existing visa waiver program.

Due to this robust economy, outbound travel from the Republic of Korea has increased by over 700 percent in the last decade to 4.6 million in 1996. Further, it is expected to grow substantially in the next few years and by 2004, the number of Korean outbound travelers is projected to double to 8.5 million outbound visitors annually.

However, a slow visa issuance process that discourages prospective tourists currently constricts Korean tourism to the U.S. Koreans are responding by spending their money in other markets.

Examples from three other destinations that recently instituted visa waiver programs for Koreans show the positive impact that resulted from waiving the visa requirement for Korean travelers. Guam eliminated their visa requirement in 1990 and saw a 240 percent increase in Korean visitor arrivals in the first 12 months. Between 1990 and 1995, they have seen a 2,400 percent increase in Korean visitors! Consequently, their market share of Korean outbound travelers has increased from 1 percent to 14 percent.

New Zealand eliminated their visa requirement in 1993 and saw an increase of 129 percent in Korean travelers in the first year and a further 97 percent increase in the second year. It should be noted that Korean travelers have the highest average daily spending of all visitors to New Zealand at US\$238 per day.

As a third example, Canada eliminated their visa requirement in 1994 and experienced a 96 percent increase in Korean visitors in the first 12 months. Between 1993 and 1995, Korean visitor arrivals have increased by 180 percent.

We estimate that if South Korea were added to the Visa Waiver Pilot Program, the United States would see an incremental growth of 20 percent. This means an additional 200,000 visitors to the U.S. in 1998 or a 1 percent increase in the total overseas traveler count to the U.S. alone. These additional visitors will bring in new

spending of \$400 million, and could easily lead to the creation of 10,000 new jobs nationwide.

According to the U.S. Embassy in Seoul, the United States is the first destination of choice for South Koreans. In 1995, this embassy issued more non-immigrant visas than any other consulate in the world. A total of 409,000 applications were processed, or roughly 1,500 applications per work day. During peak travel periods, this translates to between 3,500 to 4,500 non-immigrant visa applications processed daily. This is a tremendous amount of paperwork, as well as a time-consuming effort. Elimination of the visa requirement for Korean travelers would free up some of these resources for other tasks.

Critics believe that eliminating the visa requirement for Koreans will lead to increased illegal immigration by Korean nationals. In reality, this is not likely as Korea's economy is surging and Koreans have no real incentive to leave home. Life in Korea, while hard, offers tremendous opportunities to do well. Numerous data support this position:

(1) The government of Canada and New Zealand, which recently reduced the visa barrier for Koreans, do not consider the number of Koreans overstaying their visits to be a significant problem.

(2) The number of Korean immigrants to the U.S. dropped from 32,400 in 1987 to 16,047 in fiscal year 1995.

(3) More Koreans give up their "green cards" and return to Korea than do residents from any other country.

(4) According to the U.S. State Department data, from 1984 to 1994, no Korean visa applicant was denied a visa due to association with terrorist organizations. During this time, only 1 to 2 persons per year were denied visas due to past criminal convictions, although in some years no one was denied for this reason.

(5) Law enforcement officials support visa waivers because the waiver form requires applicants to forfeit their right to fight deportation. Thus, any person on a visa waiver can be immediately expelled from the U.S. when found in violation of our laws or regulations.

Finally, there is one other aspect to the Korean visa waiver issue which I want to raise: the negative impact this issue may have on our relationship with the Republic of Korea.

There is a long history of friendship between the United States and the Republic of Korea. The sacrifice of the more than 54,000 Americans lost during the Korean War and the 37,000 American troops stationed today in Korea are examples of the strong bond which ties both countries together.

The Republic of Korea is one of our strongest allies in the Pacific. Trust is an integral part of that relationship. The current visa regulations do little to promote greater trust between the United States and Korea. I respectfully ask that Congress take this into account in its deliberation over the Korean Visa Waiver question.

Senator ABRAHAM. I thank the entire panel. I regret that because of a variety of reasons, we had to change around the time of this hearing. It obviously wasn't as convenient for the other members as we would like it to be. I hope we will see some of them.

Let me just ask any member that is here, who would choose or care to respond, about some of the concerns that I suspect we would hear about expanding the program, the Visa Waiver Program. I really have not formulated an opinion on this issue prior to today. I wanted to hear the testimony. Let me raise some of the concerns that we would undoubtedly confront.

For example, it is estimated, based on Governor Hirono's testimony, that there might be as many as 200,000 additional visitors that would be coming to the United States if we moved in the direction of the Senate bill. If there is a 3-percent rate of, say, overstaying, or something in that range, which I think maybe—I don't know how that actually would work out, but you are talking about several thousand potential individuals who might stay over the visa, consequently falling into categories of illegal aliens.

Is there some reason to think that the safeguards could work to reduce that number, because I think that is the first level of con-



cern that is going to be raised. How do these safeguards that are proposed in the legislation work? What others might we consider?

Senator MURKOWSKI. Why don't I start out and then my colleagues can fill in? What we have tried to do here is to address specifically the concerns relative to the question you brought up, Mr. Chairman, and we have a bonding requirement. Bond would be forfeited. The Korean tour operators have to stand behind that bond. The bond would be the assurance, if you will, that there be a good-faith effort.

Now, that doesn't exclude the possibility of somebody simply overstaying, but the responsibility that the tour agency has for not returning the various tourists that are included in that particular tour would result in either the bond being called or the tour operator no longer being able to operate under the system. There are a couple of other safeguards in there. As I indicated, there is a requirement for a round-trip ticket being acquired 2 weeks in advance. These are safeguards that are unique to this 3-year pilot program, unlike a broad visa waiver that doesn't have those.

Now, the question of collecting penalties from tour operators—a tour operator would put it in writing their intent to forfeit cash bond for failure to comply with the law, and the U.S. Embassy will be physically holding the cash as insurance for adherence to the law. So I think what we have attempted to do is to instill checks and balances as much as possible, and we would certainly be willing personally to entertain other concerns that might be expressed where you see loopholes that should be covered.

But for the most part, I think that we have a program that provides the checks and balances, that provides an incentive for the tour operators to ensure that they not deal with unscrupulous individuals who want to come into the country. I guess the thing that concerns me the most, Mr. Chairman, is the State Department and Immigration set a criteria based on one major factor, and that is unemployment. South Korea has the lowest. They enjoy a broad waiver, and here we are just trying to get our foot in the door with a pilot program that I think deserves merit. If it doesn't work, it will be evident, and if the checks and balances aren't in, it will be evident, and that is the advantage of a pilot program.

Excuse me for taking so long.

Senator ABRAHAM. No. That is fine.

Ms. HIRONO. Can I also respond?

Senator ABRAHAM. Sure, Governor Hirono.

Ms. HIRONO. There are over 12 million people who visit the United States as tourists or for business under the current Visa Waiver Pilot Program, and I think that we should look to that as an indication of what might happen if other countries are accepted into the program.

The question of overstays, I think, is one that is really important. However, INS has testified that they are unable right now to give us very accurate information as to exactly what the overstay problem is and the depth of that problem. However, their testimony that you will hear later today indicates that the number of persons applying for admission under the Visa Waiver Pilot Program and who are refused entry grew to 7,000 or so refusals in 1996. On the other hand, though, we have got 12 to 14 million people coming in.



Their testimony also indicates that statistics relating to the apprehension and removal of nationals of visa waiver countries, as shown in a chart that they are presenting to you, indicate that these countries remain low risk for immigration law violations. So I think that that kind of experience, coupled with the safeguards that are in the bill before you, would indicate that this would not be a major problem. Certainly, we can mitigate that, but on the other hand there are tremendous economic benefits.

Senator ABRAHAM. Congressman Kim.

Representative KIM. Thank you, Mr. Chairman. The basic difference between my bill and the Senate bill is the time duration. My bill simply states that the pilot program will be extended up to 1 year. During that period of time, the Attorney General can cancel this program any time if any abusiveness exists.

Now, INS will be doing an overstay report study next year anyway, and they will be heavily looking at the Korean visa-holders overstay issue. So you will get the report perhaps in 6 months. One year is safer, in my opinion, than 3 years. What could happen in 1 year, or even 6 months? So we are going to be monitoring it closely and any abuse of this program, as I mentioned earlier, simply eliminates this program, or at the end of 1 year they will just simply cancel, not extend any further. So I think 1 year is very appropriate, in my opinion, and must include business because business people do not stay.

According to reports that I have read, report after report, business people do not stay here. Almost all of them go back, and I believe it is a mistake only including group tours. I believe we should include business visas as well, and I also have a problem with posting a \$200,000 bond guaranteeing those group tour returns. I talked to a few people. They felt that—one of them said, “We are not a bunch of criminals. Why would you post bond?” That is why I would rather have a 1-year program and watch it carefully, and if things don’t improve, then we can cancel it.

Senator ABRAHAM. One of the other questions that has been raised more, I guess, about the Senate bill is the question of delegation, if you would, of the responsibilities here with respect to admitting people to the United States to folks who run tour group operations, and so on.

How do you address that concern, Governor Hirono?

Ms. HIRONO. Even the people who come in through the existing Visa Waiver Program are screened, certainly, when they enter our country. We look at their passports, et cetera, so that kind of screening process. And as we have stronger capabilities to make sure that undesirables and other people of that ilk are not coming in, I think that that will certainly apply to any new countries that are added to the program. I think that is one response.

Senator MURKOWSKI. I think if I can add to that—

Senator ABRAHAM. Sure, Senator.

Senator MURKOWSKI (continuing). I would certainly agree with you, but I think what we have done here is we have added, if you will, an additional layer of protection because as the Lieutenant Governor pointed out, those tourists will still be required to have their applications reviewed. Customs officials will require valid passports at the port of entry, but the additional consideration and

safeguard is that that is placed on the tour operators to screen carefully each applicant. Otherwise, they will lose the benefits of the business; they potentially will lose their bond.

I think what I would envision the legislation intended to specifically do is to give the South Korean people the respect that they deserve. They are a close ally. We have referred to them time and time again as the economic miracle. They are an important trading partner and I think the South Koreans deserve a chance, and that is what this is all about.

I wonder if you would excuse me?

Senator ABRAHAM. Senator, thanks for being with us today.

Senator MURKOWSKI. I appreciate it very much.

Representative KIM. Senator, if you would yield just 1 minute, I do agree with Senator Murkowski. I appreciate what he is doing and his concept, but this whole idea was initiated 2 years ago about the American Chamber of Commerce in Korea. The original concept was to waive visas to business people. Somehow, down the line, it has been changed. Again, I reemphasize the whole idea was initiated by business people. The Visa Waiver Program must be targeted to business visas. It happens to include tourism, but, to me, the business visa is the most important.

Senator ABRAHAM. I have additional questions with respect to the Senate bill, and I don't mean to in any way diminish either the business issue or your legislation. Obviously, we are primarily here looking at the Senate version.

Since Senator Murkowski has left, I guess I will ask Governor Hirono again. One of the other concerns that has been raised is the logistics issues. The State Department isn't exactly set up to deal with bonding programs and, you know, holding bonds and administering this kind of activity. How would you respond to the concerns that have been raised along those lines, the administrative costs, and so on?

Ms. HIRONO. I think some of the specific provisions of the bill before you will need to be worked out and those kinds of issues need to be addressed. Clearly, the bonding issue is one that raises concerns among the Korean travel agents that I met with. Just as Congressman Kim has pointed out, we may need to address the limitations in some other way or to assure that the visitors who come under this kind of a program will return. The bond was considered one way to do that, but we are certainly not wedded to it. We are open to discussing other methods.

Senator ABRAHAM. Well, I think the concern is not that this is inappropriate. The goal, I think, is admirable of trying to add additional safeguards. The question is whether the State Department—we will have somebody here, I think, in the next panel who might want to address that from a different perspective, from the State Department's perspective. But some of the criticisms that have been raised were along those lines and I wondered if there was any specific response from the advocates of the legislation to that. I was interested in just hearing whether there was anything along those lines in response.

Ms. HIRONO. I have some information from Senator Inouye on that, and he says that under the bill the State Department will decide if a bond should be forfeited. The Korean tour operators will

give to the Embassy a cash bond for collateral, and I think that if the mechanisms can be worked out, it may not be an onerous burden for them to just call in the bond.

Senator ABRAHAM. I gathered from Senator Murkowski's perspective a flexibility and willingness to try to come up with a possible solution here. I gather that other advocates are likewise willing to try to work together as we move ahead on this, and I appreciate that.

Before I ask the second panel to start, I know Senator Kennedy is here. I don't know if he wants to have any questions for this panel or not. I think the answer is he is not able to be with us immediately, so we will thank you two for being here.

Representative KIM. Mr. Chairman, if you can yield me just 1 minute again, please?

Senator ABRAHAM. Sure.

Representative KIM. I appreciate it. As Senator Murkowski said, we are trying to send a message to Korea, which is a strong ally. That is fine, but in reality all we are doing is really insignificant, meaningless. The way it is right now does waive a visa anyway when you have a group tour. You can contact the American Embassy office in Seoul. If it is a group tour, they waive visa, and whoever is sponsoring or putting this program together, they all don't get in with a visa, they all don't guarantee their return. It doesn't do anything in terms of group tours unless you expand the businesses. That is the way it is now.

Senator ABRAHAM. Congressman Kim, thank you for being with us. Governor Hirono, we appreciate it, and we will dismiss this panel and ask our second panel members to come forward.

On this panel, we will hear from Mary Ryan, who is the Assistant Secretary for Consular Affairs at the Department of State; Michael Cronin, who is the Assistant Commissioner for Inspections at the INS; and Janet Thomas from the Air Transport Association. I thank this panel for being here.

We are laughing because every time we have done a hearing, we have had an order of speaking and the plan was to have the seating to correspond, and every single time we have done it the panels ended up sitting exactly the opposite of the way we were going to do it. But that is the way it goes, I guess.

Anyhow, I will turn initially to Mary Ryan, who is our Assistant Secretary for Consular Affairs at the Department of State. We appreciate your being here today to comment on either the broader issue of reauthorizing the waiver program or, if you would also like, the specific issues related to the bills that we have in the House and Senate on South Korea. Thanks for being here.

**PANEL CONSISTING OF MARY A. RYAN, ASSISTANT SECRETARY FOR CONSULAR AFFAIRS, BUREAU OF CONSULAR AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC; MICHAEL D. CRONIN, ASSISTANT COMMISSIONER FOR INSPECTIONS, IMMIGRATION AND NATURALIZATION SERVICE, WASHINGTON, DC; AND JANET THOMAS, DIRECTOR OF FACILITATION, AIR TRANSPORT ASSOCIATION OF AMERICA, WASHINGTON, DC**

#### **STATEMENT OF MARY A. RYAN**

Ms. RYAN. Thank you, Mr. Chairman. Mr. Chairman and members of the committee, I am really delighted to have been invited today to testify on behalf of the Department of State about the non-immigrant Visa Waiver Pilot Program.

I can say without reservation that this program has been a resounding success. It has bolstered the U.S. economy through the expedited admission of millions of legitimate short-term visitors for business, thus allowing for the negotiation of contracts for the provision of American goods and services to the world.

It has also provided a welcome boost to the U.S. tourism industry, which employs thousands of American citizens, through the visa-free admission of millions of foreign tourists. In addition, it has enabled the U.S. Government to use its limited resources more efficiently and productively during a period of budgetary constraint. We support permanent reauthorization of this highly successful program.

During the 1980's, economic prosperity in Europe and Japan contributed to an explosion in international travel. The State Department found itself in the position of devoting increasing resources to visa issuance which was virtually perfunctory. Let there be no mistake. A British national applying for a visa to visit the United States in 1987 was not required to go to the Embassy, let alone to have a visa interview. Yet, even this perfunctory processing consumed major personnel resources, owing to the sheer volume of visa issuance.

The Visa Waiver Pilot Program was a logical response to that situation. Its objective was to determine if a selective waiver of the nonimmigrant visa requirement would improve the use of U.S. Government resources and encourage travel to the United States without diminishing U.S. border security. It went into effect in July 1988 initially in 8 countries and has now expanded to encompass 25 countries.

Strict criteria for participation were established to ensure the test program would not entail unacceptable risks to our ability to control our borders. Furthermore, before any country is designated as a participant, the Attorney General must determine that U.S. law enforcement interests would not be compromised by its designation. A number of countries have met some criteria, but have not been accepted for the program because of law enforcement or security reasons.

The criteria laid out in the legislation have worked astoundingly well. The established requirements have ensured that only low-fraud, low-risk countries have been designated as participants. Strict adherence to the criteria has enabled representatives of the

Department of State overseas to respond honestly and straightforwardly to requests from numerous friendly countries who don't meet the criteria. More significantly, they have ensured that nations have received equitable treatment in line with the historical principles of the United States.

We strongly support continued adherence to these criteria which have maintained the integrity of the program over the years. Any proposal to dilute the qualifying criteria must be carefully evaluated for consistency with the program's stated aims and U.S. border security interests.

Safeguards have been included in the program to deter the admission of ineligible aliens. The mere fact that a country participates in the Visa Waiver Program does not mean that all of its citizens will be admitted to the United States upon application or that if admitted under the waiver program, they will be granted all the privileges they would enjoy if they were admitted with visas. All individuals applying for admission, including those in the Visa Waiver Program, are subject to the same look-out checks at the port of entry that they would be subjected to at the time of visa issuance overseas.

The Department of State and the Immigration and Naturalization Service [INS] share data to ensure that all information on ineligible aliens is available to both agencies. I am convinced that application of the criteria for admission outlined in the legislation, plus our enhanced data-share programs, offer U.S. agencies appropriate control over those seeking admission without visas.

Based on the information that we have available, issuing visas to all of the travelers who entered under the Visa Waiver Program would have been a considerable drain on our resources, without any discernible benefit to our national security. I would argue, in fact, that rather than weakening border security, the Visa Waiver Program has, in fact, strengthened it. It has allowed the Department of State to focus its resources upon those countries and regions where fraud potential is the greatest.

The resource savings were applied to the opening of posts and staffing of consular sections in the former Soviet Union. In addition, the Department has been able to move personnel into straight anti-fraud work and into adjudicatory positions in immigration-push countries.

So what would the resource implications for the Department of State be if the Visa Waiver Program were ended? It is almost impossible to calculate and daunting to contemplate. We have eliminated positions in visa waiver countries, and we have even closed many consulates. The cost of reestablishing those posts and positions would be significant. Since the program began, the demand for nonimmigrant visas in nonvisa waiver countries has grown considerably. The resources that were reprogrammed to those countries are essential to provide adequate service and to maintain anti-fraud initiatives.

While the Government has benefited enormously from the Visa Waiver Program, it has really been the U.S. economy that has won the gold ring. The World Tourism Organization statistics for 1996 showed that the United States was the second most popular international tourist destination, with 44.8 million arrivals, but number

one as far as tourism receipts go. International tourists, many of them on the Visa Waiver Program, spent \$64.4 billion in this country in 1996, and if you add in the money that they spent on travel on U.S. carriers, it becomes \$88.9 billion.

So, in closing, I would like to stress once again the value of the Visa Waiver Program to U.S. Government operations, to the U.S. travel and tourism industry, and to our relations with the participating countries. Even a short disruption of this vital program would have disastrous economic, political, and resource implications for the U.S. Government. We support the permanent reauthorization of the Visa Waiver Program and we will work with the Department of Justice to that end.

Thank you, Mr. Chairman, and I would be pleased to take any questions.

Senator ABRAHAM. Thank you very much.

[The prepared statement of Ms. Ryan follows:]

PREPARED STATEMENT OF MARY A. RYAN

Mr. Chairman and Members of the Committee: I am delighted to have been invited today to testify on behalf of the Department of State about the nonimmigrant visa waiver program. I can say without reservation that this program is a resounding success. It has bolstered the U.S. economy through the expedited admission of millions of legitimate short term visitors for business, thus allowing for the negotiation of contracts for the provision of American goods and services to the world. It has provided a welcome boost to the U.S. tourism industry, which employs thousands of American citizens, through the visa-free admission of millions of foreign tourists. In addition, it has enabled the U.S. government to use its limited resources more efficiently and productively during a period of budgetary constraint. We support permanent reauthorization for this highly effective program.

During the 1980's, economic prosperity in Europe and Japan and the growing interdependence of the world's economy contributed to an explosion in international travel. The State Department found itself in the position of devoting increasing resources to visa issuance which was virtually perfunctory. Let there be no mistake about it—a British national applying for a visa to visit the U.S. in 1987 was not required to go to the Embassy, let alone have a visa interview. Yet, even this perfunctory processing consumed major personnel resources owing to the sheer volume of visa issuance.

The visa waiver pilot program was a logical response to that situation. It was instituted pursuant to the Immigration Reform and Control Act of 1986. Its objective was to determine if a selective waiver of the nonimmigrant visa requirement would improve the use of U.S. government resources and encourage travel to the United States, without diminishing U.S. border security. The program waives the visa requirement only for touristic or business trips of ninety days or less in duration. Others, such as students and temporary workers, from qualifying countries all still need visas to travel to the U.S. It went into effect on July 1, 1988, in eight countries jointly designated by the Secretary of State and the Attorney General. Under joint administration of the Secretary of State and the Attorney General the program has now expanded to encompass 25 countries which have met the statutory criteria.

The program simultaneously helped U.S. business, generated growth in the U.S. tourist industry and allowed the State Department to redirect its consular resources to higher risk situations like the newly independent states in the former Soviet Union. The visa waiver program was not just a win/win situation, it was a win for business, a win for tourism and a win for effective management of the Department of State.

Strict criteria for participation were established to ensure that the test program would not entail unacceptable risks to our ability to control our borders. To qualify for the program, nations must:

- Have a minimal nonimmigrant visa refusal rate;
- Issue or agree to issue a machine readable travel document;
- Reciprocate the visa waiver by permitting visa-free entry to Americans for business or tourism.

Furthermore, before any country is designated as a participant, the Attorney General must determine that U.S. law enforcement interests would not be compromised by the designation. Formal and informal consultations take place within the border security community before a country is nominated. A number of countries have the requisite refusal rates and machine readable documents but have not been accepted for the program because of law enforcement or security concerns.

The criteria laid out in the legislation have worked astoundingly well. The established requirements have ensured that only low-fraud, low-risk countries, such as Germany, the United Kingdom, Japan, France and Norway, have been designated as participants. Strict adherence to the criteria has enabled representatives of the Department of State overseas to respond honestly and straightforwardly to requests from numerous friendly nations to be part of the program by noting their current inability to meet the criteria. Most significantly, the criteria have ensured that nations have received equitable treatment in line with the historical principles of the United States. We strongly support continued adherence to these criteria which have maintained the integrity of the program over the years. Any proposal to dilute the qualifying criteria must be carefully evaluated to see if it is consistent with the program's stated aims and U.S. border security interests.

Safeguards have been included in the program to deter the admission of ineligible aliens. The mere fact that a country participates in the visa waiver program does not mean that all of its citizens will be admitted to the United States upon application or that, if admitted under the waiver program, they will be granted all the privileges they would enjoy if they were admitted with visas. They first must not be inadmissible under the Immigration and Nationality Act. In addition, they may not seek review of any removal of admission under the visa waiver program or contest removal under the visa waiver program, other than on the basis of an application for asylum. They must have a round-trip ticket so that they can depart immediately if found excludable. All individuals applying for admission, including those in the visa waiver program, are subject to the same look-out checks at the port of entry that they would be subjected to at the time of visa issuance overseas.

The Department of State and the INS share data to ensure that all information on ineligible aliens is available to both agencies. I am convinced that application of the criteria for admission outlined in the legislation plus our enhanced data share programs offer U.S. agencies appropriate control over those seeking admission without visas. Based on the information we have available, issuing visas to all of the travelers who entered under the visa waiver would have been a considerable drain on resources without any discernible benefit to our national security.

Some would argue that this program weakens U.S. border security, I would advance the counter argument. The visa waiver program was not and is not a "loser" for U.S. border security. Indeed, rather than weakening border security, the visa waiver program has strengthened it, because it has allowed the Department of State to focus its resources upon those countries and regions where fraud potential is greatest. The resource savings were applied to the opening of posts and staffing of consular sections in the former Soviet Union and to administering legislatively-mandated immigrant visa lottery programs. In addition, the Department has been able to move personnel previously engaged in relatively pro forma nonimmigrant visa adjudication into straight anti-fraud work or to adjudicatory positions in immigration-push countries.

So what would be the resource implications for the Department of State if the visa waiver program were ended? It is almost impossible to calculate and daunting to contemplate. We have eliminated positions in visa waiver countries and even closed many consulates, especially in Western Europe, which used to provide perfunctory visa services. The cost of reestablishing these posts and positions would be significant. Since 1988 when the visa waiver program began, the demand for non-immigrant visas in non-visa waiver countries has grown considerably. The resources which were reprogrammed to these countries are essential to providing adequate service and maintaining anti-fraud initiatives.

Estimating what it would cost to the U.S. to restore consular services to all the nations that currently participate in the visa waiver program is admittedly an inexact science. However, one rough measure would be based on the number of foreigners who entered the U.S. in 1996 using the visa waiver program. Last year some 12.4 million aliens entered the U.S. on the visa waiver program. The current Machine Readable Visa application fee is \$20, based on a 1991 cost of service study. Even if only half the aliens who entered the U.S. last year required a visa (since some of those visitors probably entered more than once in 1996 and some would be dissuaded from traveling here by a visa requirement), that would mean that the additional cost to the U.S. would be over \$120 million—and that does not even cover the cost of expanding facilities or hiring and training all of the additional staff the



Department would require. Our business and tourism would suffer, the cost to the U.S. government would be high, and U.S. border security would not be improved. As I noted earlier, I really don't even like to think about it.

While the government has benefited enormously from the visa waiver program, it has been the U.S. economy that really won the gold ring on this ride. The World Tourism Organization statistics for 1996 show that the United States was the second most popular international tourist destination with 44.8 million arrivals but number one as far as tourism receipts go. International tourists spent \$64.4 billion here in 1996. Lots of them entered the U.S. on the visa waiver program.

In closing, I would like to stress once again the value of the visa waiver program to U.S. government operations, to the U.S. travel and tourism industry and to our relations with participating countries. Even a short disruption of this vital program would have disastrous economic, political and resource implications for the U.S. government. We support permanent reauthorization of the visa waiver program and will work with the Department of Justice to that end.

Thank you for your attention. I will be pleased to take your questions.

Senator ABRAHAM. Mr. Cronin.

#### STATEMENT OF MICHAEL D. CRONIN

Mr. CRONIN. Thank you very much, Mr. Chairman. Applicants for admission under the Visa Waiver Program are examined by immigration officers, who are aware that these individuals have not been screened through a visa process. The officers check the names of these applicants against the look-out database, and these officers may open and pursue any appropriate line of inquiry to make a determination concerning the individual's admissibility.

In fiscal year 1996, 76 percent of nonimmigrants from the 25 participating countries entered under this program. This was over 12 million travelers, or just under  $\frac{1}{2}$  of all documented nonimmigrants. Prior to the 1996 amendments to the Immigration Act, the agencies involved in making the necessary determinations for addition of countries to the program had developed a process for the inclusion of countries.

The Bureau of Consular Affairs makes the necessary threshold determinations of eligibility. Before making a recommendation that a country be included in the program, the Bureau considers any relevant foreign relations or national security issues. Upon receipt of the Department of State's recommendation, the Department of Justice requests information from INS and the FBI concerning immigration, criminal, and national security considerations.

Upon analysis of this information, a recommendation is made to the Attorney General as to inclusion or rejection of the country. Under the 1996 amendments, the authority to designate a country to participate in the program was vested solely in the Attorney General, in consultation with the Secretary of State.

The number of persons applying for admission under the Visa Waiver Pilot Program who were refused entry increased significantly in fiscal years 1995 and 1996 by approximately 2,000 persons a year, to 7,011 refusals in 1996. This recent increase appears attributable in part to the fraudulent use of travel documents from countries in the program, which I will discuss further. However, statistics relating to the apprehension and removal of nationals of visa waiver countries indicate that these countries do indeed remain low-risk for immigration law violations.

The Visa Waiver Pilot Program has grown tremendously and has proven extremely popular with nationals of visa waiver countries and with travel and tourism interests. It has significantly reduced



consular workload, but has not markedly degraded facilitation at U.S. ports of entry. At the same time, port of entry enforcement capabilities have been enhanced by the addition of select data from the consular look-out and support system to the border inspection system database.

However, the Visa Waiver Pilot Program is attractive to the prospective illegal entrant in the same way as it is to the legitimate traveler. Entry into the United States can be achieved with nothing but a passport and without the necessity of presenting a visa. Consequently, fraudulent document vendors and alien smugglers have targeted the passports of visa waiver countries.

As the Department of State has increased the fraud resistance of the United States nonimmigrant visa by including biographical information that bears a digitized photograph, the attractiveness of using visa waiver passports for nonvisa waiver nationals seeking to enter the United States illegally has also increased.

The attraction of smugglers to visa waiver nationality passports is encouraged by several factors, including limited security features present on some passports and the existence of multiple passport issuing authorities and procedures in some visa waiver countries. The use of lost or stolen blank visa waiver country passports presents a serious fraud concern. The INS intelligence program collects information about the universe of fraudulent document activity and distributes detailed reports to the field on incidence of fraudulent documents.

The Department of Justice has been conducting a review of the Visa Waiver Pilot Program to assess the risks associated with further expansion of the program, including incremental effects of program expansion on the effectiveness of ports of entry. That review is being expanded to an interagency working group which will evaluate the program as a whole, its extension, whether it should be made permanent, the continued designation of current countries, and criteria to be applied to determinations about the addition of further countries to the program.

The program provides that one qualification for continued participation is that the number of nationals of the member country who were denied admission at the time of arrival or withdrew their application for admission and the number of nationals of that country who violated the terms of such admission during the previous fiscal year remain below 2 percent of the total number of nationals of that country who applied for admission as nonimmigrant visitors during that year.

Data are collected in the Non-Immigrant Information System [NIIS], on the number of withdrawals for visa waiver countries and can be provided for each year since the beginning of the program. Similarly, comprehensive data on visa waiver refusals can be provided. Data are available in the nonimmigrant system from 1988 to 1989, and 1991 to 1992 for Visa Waiver Pilot Program countries whose nationals violated their terms of admission, as measured by nonimmigrant visa overstay rates.

Nonimmigrant overstay rates have not been estimated since July 1994, when calculation of fiscal year 1993 rates were attempted, due to inconsistent numbers of apparent overstays in the nonimmigrant system. The numbers of apparent overstays have been

reviewed every 6 months through February 1997 in attempts to estimate defensible nonimmigrant overstay rates. However, data from NIIS continue to be inadequate for this purpose.

From the 1994 realization that corrective action was required, plans were made to rewrite the NIIS software to improve data integrity, identify new requirements, and convert the old database. This development began in 1995 and continued until the new system was introduced in July 1996. The new system is now being analyzed for further corrections. INS recognizes the inability to provide this information as a serious deficiency. We hope to have completed and introduced corrective actions to the nonimmigrant system by early 1998.

As we have stated in the past, INS recommends that legislation be enacted to require Visa Waiver Pilot Program countries to introduce highly fraud-resistant, machine-readable passports by a date certain. Current language does not refer to fraud resistance and some countries have failed to introduce machine-readable documents to date.

This completes my testimony, Mr. Chairman. I would be glad to respond to any questions. Thank you.

Senator ABRAHAM. Thank you very much.

[The prepared statement of Mr. Cronin follows.]

#### PREPARED STATEMENT OF MICHAEL D. CRONIN

Mr. Chairman and Members of the Subcommittee, I welcome the opportunity to testify on the Visa Waiver Pilot Program (VWPP). During the last nine years, this Program has become a regular part of the inspection and admission process for visitors from 25 countries.

#### DEVELOPMENT AND EXPANSION OF THE VISA WAIVER PILOT PROGRAM

The Visa Waiver Pilot Program was established by the Immigration Reform and Control Act of 1986. Under its provisions, visitors for pleasure or business from countries designated jointly by the Attorney General and the Secretary of State, who meet express statutory criteria, may enter the United States without a visa for a period of ninety days. They are required to waive in writing any right to the review of an immigration officer's determination that they are inadmissible or removable from the United States. They may only contest removal based on an application for asylum. They are also required, if arriving by air or sea, to travel on a transportation line which is signatory to an agreement with the Immigration and Naturalization Service permitting the line to transport passengers under the Program, and they are required to be in possession of a round-trip or onward ticket.

The four criteria for inclusion of countries in the program are:

- (1) That they offer reciprocal privileges to United States citizens;
- (2) That they have had an average nonimmigrant visitor visa refusal rate of under 2 percent for the previous two years and under 2.5 percent for any one of these two years;
- (3) That they certify that they issue or are in the process of developing a machine-readable passport; and
- (4) That the Attorney General make a determination that inclusion of the country in the Program does not pose a law enforcement risk to the United States.

The Act further provides that the Attorney General, in consultation with the Secretary of State, may refrain from including countries in the Program or remove them for any reason, including national security.

Applicants for admission under the program must complete a Form I-94W, answering questions regarding their admissibility to the United States and executing the waiver noted above. They are examined by immigration officers who are aware that these individuals have not been screened through a visa process. The officers check the names of these applicants against a lookout database. These officers may

open and pursue any appropriate line of inquiry to make a determination concerning the individual's admissibility.

From its inception in 1988 through fiscal year 1996, the Program grew from one to 25 participating countries. In Fiscal Year 1996, seventy-six percent of nonimmigrants from participating countries entered under this program. This was over 12 million travelers, or just under one-half of all documented nonimmigrants.

Prior to the statutory modifications made by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA), the agencies involved in making the necessary determinations for addition of countries to the program had developed a process for the inclusion of countries. The Bureau of Consular Affairs of the Department of State makes the necessary threshold determinations of eligibility, i.e., that the visa refusal rates are within the statutory criteria; that the country is issuing or intends to issue a machine readable passport; and that the country extends or will extend reciprocal privileges to U.S. travelers. Before making a recommendation that a country be included in the Program, the Bureau of Consular Affairs considers any other relevant foreign relations or national security issues. Upon receipt of a recommendation from the Department of State that a country be included in the Program, the Department of Justice requests information from the Immigration and Naturalization Service and the Federal Bureau of Investigation concerning immigration, criminal, and national security considerations and data. As necessary, a team may be dispatched to the country to consult with its law enforcement and criminal justice organizations and to review such activities as border control and passport issuance procedures. Upon analysis of this information, a recommendation is made to the Attorney General as to inclusion or rejection of the country. Under IIRIRA, the authority to designate a country to participate in the Program was vested solely in the Attorney General, in consultation with the Secretary of State.

The number of persons applying for admission under the Visa Waiver Pilot Program who are refused entry grew, through Fiscal Year 1994, in a manner consistent with the growth of the Program, from 22 persons in 1988 to 1,876 persons in 1994. This number increased significantly in Fiscal Years 1995 and 1996, by approximately 2,000 persons a year, to 7,011 refusals in 1996. This recent increase appears attributable in part to the fraudulent use of travel documents from countries in the Program, which will be discussed below. However, statistics relating to the apprehension and removal of nationals of Visa Waiver countries, as shown on the attached chart, indicate that these countries remain low-risk for immigration law violations.

#### THE SUCCESS OF THE VISA WAIVER PILOT PROGRAM

The Visa Waiver Pilot Program has grown tremendously and has proven extremely popular with nationals of visa waiver countries and with travel and tourism interests. It has significantly reduced consular workload but has not markedly degraded facilitation at United States ports-of-entry. Port-of-entry enforcement capabilities have been enhanced by the addition of select data from the Consular Look-out and Support System (CLASS) to the Interagency Border Inspection System (IBIS) database.

#### FRAUD IN THE VISA WAIVER PILOT PROGRAM

The Visa Waiver Pilot Program is attractive to the prospective illegal entrant in the same way it is for the legitimate traveler—entry to the United States can be achieved with nothing but a passport and without the necessity of visa issuance. Consequently fraudulent document vendors and alien smugglers have targeted the passports of Visa Waiver countries. As the Department of State has increased the fraud resistance of the United States nonimmigrant visa by including biographical information and the bearer's digitized photograph in the visa, the attractiveness of using VWPP passports for non-VWPP nationals seeking to enter the United States illegally has also increased. The attraction of smugglers to VWPP passports is encouraged by several factors, including limited security features present in some VWPP passports (which simplify the alteration and forgery of them) and the existence of multiple passport-issuing authorities and procedures in some VWPP countries.

The use of lost or stolen blank VWPP passports presents a serious fraud concern. There is also a large supply of stolen blank VWPP passports on the market today. INS Intelligence has received reports dealing with the increasing involvement of international organized crime groups in the theft of these documents and their vending to smuggling rings or individual aliens.

The INS Intelligence Program collects information about the universe of fraudulent document efforts. It distributes to the field intelligence reports on the variety

of documents and schemes in use to move aliens to the U.S. and to attempt to get through the inspections process. The Forensic Documents Laboratory sends to all ports of entry "Alerts" whenever a significant new fraudulent document appears. These Alerts include color photographs of the fraudulently produced or altered documents or the fraudulent visa stamps as well as written description of what features to look for to determine the fraud. In this manner, fraudulent documents uncovered by one inspector or by a consular officer or government official overseas become known to INS inspectors at all ports of entry.

To ensure compliance with the terms of the Program, INS has worked with the airline industry to develop criteria for the use of electronic ticketing on international flights to the United States. Under recent direction from INS Headquarters, visa waiver applicants may use electronic tickets provided that they can, upon demand, present some proof of onward travel arrangements and provided that, also upon demand, participating transportation lines cooperate with INS requests for verification of travel arrangements.

#### ADMINISTRATION REVIEW OF THE VISA WAIVER PILOT PROGRAM

The Department of Justice has been conducting a review of the Visa Waiver Pilot Program to assess the risks associated with further expansion of the Program, including incremental effects of program expansion on the effectiveness of ports-of-entry. That review is being expanded to an interagency working group which will evaluate the Program as a whole, its extension, whether it should be made permanent, the continued designation of current countries, and criteria to be applied to determinations about the addition of further countries to the Program.

#### NONIMMIGRANT INFORMATION SYSTEM AND VISA OVERSTAY RATES

The Program provides that one qualification for continued participation is that the number of nationals of a member country who were denied admission at the time of arrival or withdrew their application for admission, and the number of nationals of that country who violated the terms of such admission during the previous fiscal year remain below 2 percent of the total number of nationals of that country who applied for admission as nonimmigrant visitors during such previous fiscal year.

Data are collected in the Nonimmigrant Information System (NIIS) on the number of withdrawals for VWPP countries, and can be provided for each year since the beginning of the program (1988). Similarly, comprehensive data on VWPP refusals can be provided.

Data are available in NIIS from 1988-89 and 1991-92 for VWPP countries whose nationals violated their terms of admission (as measured by nonimmigrant visa overstay rates). These data are estimates of overstay rates which are based on "apparent overstay" numbers from NIIS. INS developed a methodology that reduces the number of apparent overstays by an estimate of the "system error." The system error (historically about 8-10 percent for all countries) begins with the failure of many aliens departing the United States to turn in their departure forms to their carriers or as they depart across the land borders. Other sources of system error are keypunching and processing problems. This methodology was refined as a result of review by the General Accounting Office in 1995.

Nonimmigrant overstay rates have not been estimated since July 1994 (when calculation of fiscal year 1993 rates were attempted) due to inconsistent numbers of apparent overstays in NIIS. Because of the magnitude and variation of apparent overstays since 1992, the INS' established methodology cannot currently be used to produce overstay rates with the required level of reliability to make relative comparisons among countries. The numbers of apparent overstays have been reviewed every 6 months through February 1997 in attempts to estimate defensible nonimmigrant overstay rates; however, data from NIIS continue to be inadequate for this purpose.

From the 1994 realization that corrective action was required, plans were made to rewrite the NIIS software to improve data integrity, identify new requirements and convert the old database. This development effort began in 1995 and continued until the new system was introduced in July 1996. Operation of the new system was encumbered by the process of converting the old database of admissions, withdrawals, and departures from 1983 through June 1996. Backlogs caused by the necessity of maintaining dual processing were not eliminated until May 1997.

INS recognizes the inability to provide this information as a serious deficiency. We hope to have completed and introduced corrective actions to the NIIS by the early 1998.

INS is presently engaged in extensive efforts related to the provisions of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 which deal with

automation, card technology, biometrics, and departure management. This work will result in significant improvement in INS's ability to track arrivals and departures, identify overstays, and generate more precise overstay statistics.

#### RECOMMENDATION

As Congress considers extension of the VWPP, INS has one recommendation. As we have stated in the past, INS recommends that legislation be enacted to require Visa Waiver Pilot Program countries to introduce highly fraud-resistant, machine-readable passports by a date certain. Current language does not refer to fraud resistance and some countries have failed to introduce machine-readable documents to date. It should be noted that the initial eight VWPP countries entered the program before this requirement was introduced by the Immigration Act of 1990.

This completes my testimony. I would be glad to respond to any questions you may have.

Chart 1.  
 Nonimmigrants Admitted by Selected Class of Admission for Countries in the VWPP:  
 Fiscal Years 1988-95

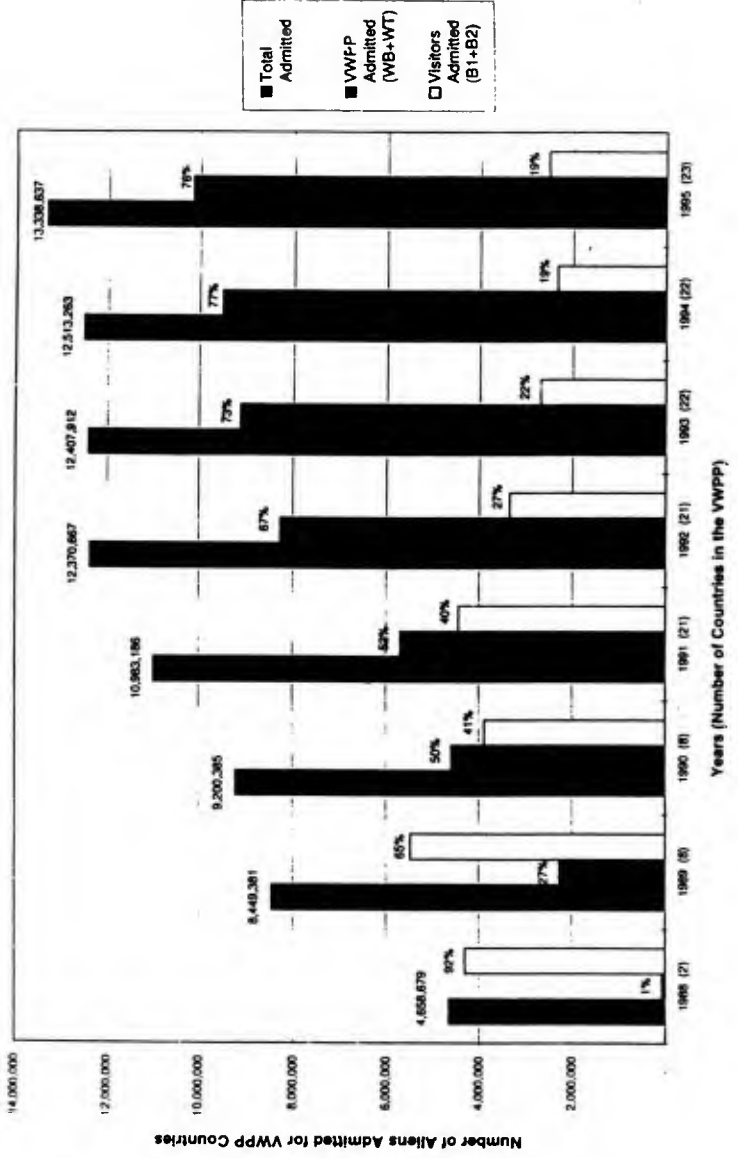
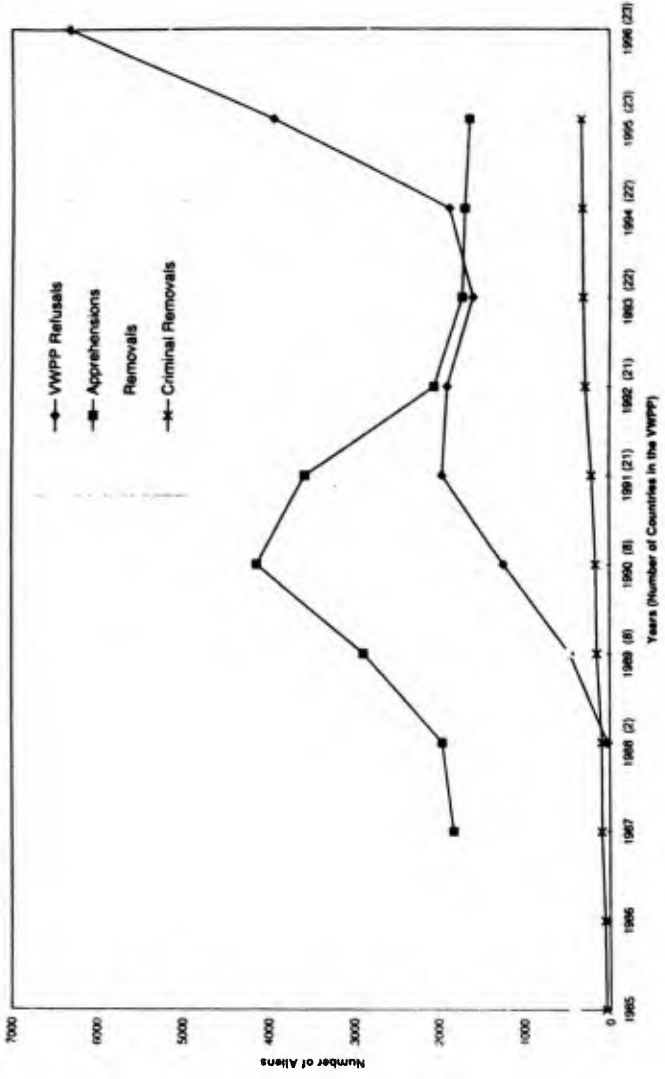
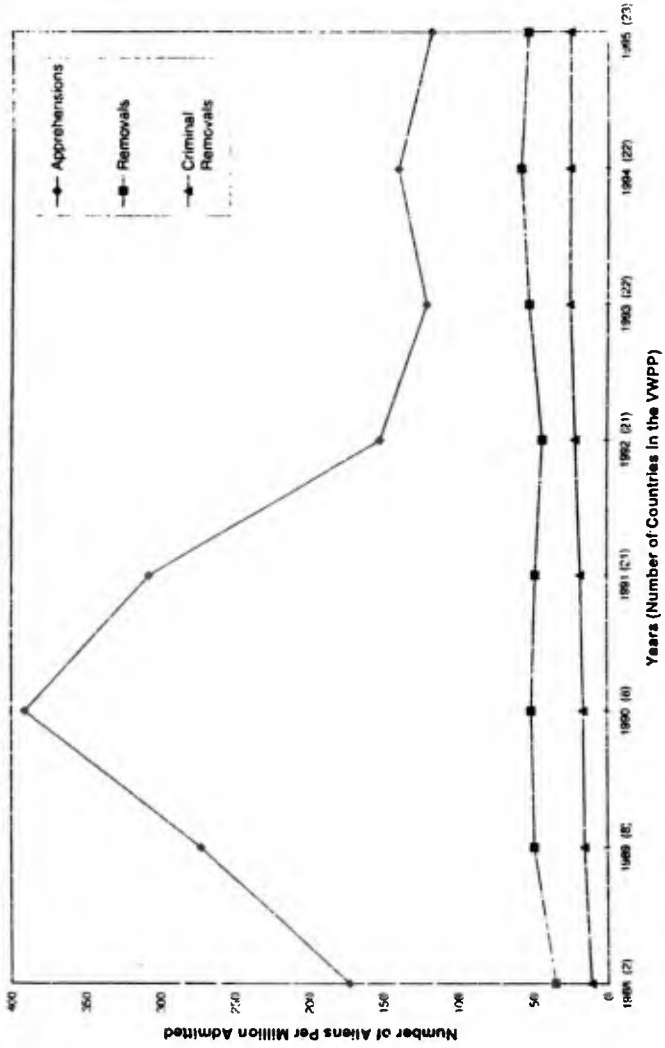


Chart 2.  
 Enforcement Statistics for Countries in the VWPP:  
 Fiscal Years 1985-96



NOTE: / pprehension data are not available by country prior to 1987.  
 VWPP began in 1988. Only VWPP Refusal data available for FY96 (4th Quarter projected).

Chart 3.  
 Enforcement Statistics (Per Million Admitted) for Countries in the VWPP:  
 Fiscal Years 1988-95





Senator ABRAHAM. Ms. Thomas.

#### STATEMENT OF JANET THOMAS

Ms. THOMAS. Thank you, Mr. Chairman. I submit written testimony for the record and, with your permission, will summarize with brief remarks.

Senator ABRAHAM. Fine. We will include your full testimony.

Ms. THOMAS. Thank you.

The Air Transport Association of America [ATA] represents the major commercial passenger and cargo air carriers in the United States, and we very much appreciate this opportunity to present to the subcommittee the views of the U.S. commercial airline industry regarding the Visa Waiver Pilot Program.

Since its creation, our member airlines have had tremendous success with the program. This program has been unprecedented in reducing barriers to travel and tourism to and from the United States. The U.S. airline industry is very pleased to have played a role in this success.

In the nearly 10 years since the program's implementation, international airline passengers have become accustomed to the program's requirements and use it routinely. The program has served well the purpose for which it was designed, to facilitate the easy and efficient flow of low-risk foreign tourists and business travelers.

Simultaneously, the program has afforded Department of State consular officers more time to focus their efforts on those individuals whose visits to the United States are for other purposes, and to drastically reduce its consular staff at low-risk locations, resulting in significant cost savings to the U.S. taxpayer.

Yet, all of this pales in comparison to the real benefit of the program, that of expanded foreign travel and tourism to the United States, an \$84 billion a year industry. Simply put, the United States needs this program to remain competitive with the many other nations around the globe who are after the same finite travel dollar.

ATA members strongly support the transition of the program to a permanent one, with expanded participation. While the pilot has been extended periodically, the unqualified success of the program speaks strongly on behalf of its being made permanent.

With regard to S. 290, while we believe the decision on the admission of a participating country is best left to Government authorities, we support the inclusion of additional countries as appropriate. We would be opposed to specific restrictions or limitations on participating countries, as envisioned in this particular legislation.

The benefit of the program has been clearly proven and the need for it to remain a pilot program has ceased. To sunset the program at this time or in the future would not only require a reinvestment of significant capital, both human and otherwise, but would also prove unnecessary and counterproductive. In addition, because the program is based on reciprocity, any termination or restriction would likely result in a substantial backlash by participating nations against U.S. citizens traveling abroad when they attempt to enter other visa waiver countries.

Visa waiver participants by their very definition are low-risk travelers. There has been no data which indicates that visa waiver travelers stay longer than permitted or otherwise violate the terms of their admission in any greater numbers than any other traveling population. To the contrary, we believe the opposite is true.

Another important benefit of the program has been its impetus for standardization of passports and machine-readable documentation as an inducement for acceptance of a country into the program. The ability to read a document by machine has greatly increased the efficiency of the Federal inspection process and has allowed our members to collect and transmit certain passenger data to INS in advance of the flight's arrival.

While we strongly support the pilot program being made permanent, as well as expanded, improvement is needed. Congress obviously recognized the need for a better immigrant tracking system when it enacted sections 109 and 110 of the 1996 Act which mandated a joint study and a transition to automated collection of arrival and departure information. The airline industry has readily participated in this joint study and our report is shortly forthcoming.

I would like to particularly emphasize that no arrival and departure system designed to accurately track passengers who overstay their visits will be complete unless all modes of entry and exit are similarly controlled, including land and seaport. All arrivals by air do not necessarily depart by air. Thus, an open-looped automated system will always be statistically flawed.

I would, however, emphasize that it seems unnecessary to delay making the program permanent until such a system can be put into place. The 9-year experience of this program is sufficient to prove its value. This experience has also proven the program poses limited risk to the United States. Keeping a program as a perpetual pilot serves no useful purpose and has actually been the source of disruption when the program has been threatened with a lapse or, as in one instance, did lapse for a short period of time.

The traveling public will be better served by making it permanent now. At a minimum, a multi-year extension should be considered as an alternative to making the program permanent. In the future, should events require that the program be modified somewhat, that action could then take place at the appropriate time.

On a related issue, our members have been negotiating with INS, the U.S. Customs Service, and the U.S. Department of Agriculture for the last 4 years to enter into a cooperative venture whereby the carriers will provide biographic data electronically in advance of the arrival of international passengers. We have recently met with INS, the lead agency, to finalize those discussions, and we hope to quickly resolve the few remaining issues and presumably sign a memorandum of understanding to begin this program.

This data will provide additional information to the INS on all passengers, and particularly visa waiver passengers, allowing the INS to perform its look-out checks and analyses well in advance of the arrival of passengers. Not only will this further facilitate the entry process, but it will also prove an important and effective enforcement tool. In our preliminary joint discussions, as directed by the 1996 Act, it appears this data could also serve as part of the

backbone of an automated arrival and departure system. Thus, there should be no reason for further delays in making the Visa Waiver Program permanent. In this regard, we strongly urge the subcommittee to take action to accomplish this goal at its earliest convenience.

Mr. Chairman, I would be pleased to respond to any questions you or committee members may have.

[The prepared statement of Ms. Thomas follows:]

PREPARED STATEMENT OF JANET THOMAS

Mr. Chairman and Members of the Subcommittee, I am Janet Thomas, Director of Facilitation for the Air Transport Association of America (ATA). ATA represents the major commercial passenger and cargo air carriers in the United States.<sup>1</sup> Collectively, our members account for over 95 percent of all revenue passenger and cargo ton miles that scheduled air carriers operate in this country.

We very much appreciate this opportunity to present to the Subcommittee the views of the U.S. commercial airline industry regarding the Visa Waiver Pilot Program (VWPP). Since its creation by Congress in 1986, and subsequent implementation by the Immigration and Naturalization Service (INS) in 1988, our member airlines have had an extremely high success rate with the VWPP. This program affords a citizen of a participating country to forego visa application at a U.S. consulate abroad, and allows them to travel to the U.S. for business or pleasure and make application for entry directly to the INS at a port of entry. To use this privilege, an applicant agrees to waive rights to challenge the decision of the INS inspector, and agrees to depart the U.S. within 90 days. Of the total number of non-immigrant entries by citizens of Visa Waiver countries, 76 percent used the VWPP, or more than 10 million people in FY 1995 (according to INS). This accounted for just under 50 percent of all temporary business and tourist entries. This program has had an unprecedented success in reducing barriers to travel and tourism to and from the United States. The U.S. airline industry is very pleased to have played a role in this success.

In the nearly ten years since the Visa Waiver Pilot Program's implementation, international airline passengers have become accustomed to the program's requirements, and use it routinely. The program has served well the purpose for which it was designed: to facilitate the easy and efficient flow of low-risk foreign tourists and business travelers. Simultaneously, the program has afforded Department of State consular officers more time to focus their efforts on those individuals whose visits to the U.S. are for other purposes, such as employment or study, or those who intend to remain in the U.S. for extended periods. Further, it has allowed the Department of State to drastically reduce its consular staff at low-risk locations, resulting in a significant cost savings to the U.S. taxpayer. Yet, all this pales in comparison to the real benefit of the Visa Waiver Pilot Program—that of expanded foreign travel and tourism to the U.S., an \$84 billion a year industry. Put simply, the U.S. needs this program to remain competitive with the many other nations around the globe who are competing for the finite travel dollar.

The Air Transport Association member airlines strongly support the transition of the Visa Waiver Pilot Program to a permanent program, with expanded participation. With regard to S. 290, while we believe the decision on the admission of a participating country is best left to the government authorities, we support the inclusion of additional countries, as appropriate. However, we would be opposed to the specific restrictions or limitations on participating countries as envisioned in this specific legislation.

While the pilot program has been extended periodically since its inception, the unqualified success of the program speaks strongly on behalf of it being made permanent. Further, because the program's life has at times been uncertain and somewhat unpredictable, particularly at periods near the end of its temporary life, any real or perceived lapse in the program causes much needless turmoil and uncertainty among the industry, government (both here and abroad) and, most importantly, the

<sup>1</sup>U.S. Flag members are: Alaska Airlines, Aloha Airlines, American Airlines, American Trans Air, America West Airlines, Continental Airlines, Delta Air Lines, DHL Airways, Emery Worldwide, Evergreen International Airlines, Federal Express, Hawaiian Airlines, KIWI Airlines, Midwest Express, Northwest Airlines, Polar Air Cargo, Reeve Aleutian Airways, Southwest Airlines, Trans World Airlines, United Airlines, United Parcel Service, and US Airways. Our technical members include: Air Canada, Canadian Airlines International, and KLM-Royal Dutch Airlines.

traveling public. In the nearly ten years since the program's implementation, the benefit of the program has been clearly proven, and the need for it to remain a pilot program has ceased. To sunset the program at this time or in the future would not only require a reinvestment of significant capital, both human and otherwise, but would also prove unnecessary and counterproductive. In addition, because the Visa Waiver Pilot Program is based on reciprocity, any termination or restriction of the program would likely result in a substantial backlash by other participating nations against U.S. citizens traveling abroad, resulting in more entry burdens for U.S. citizens when they attempt to enter other visa waiver countries.

Visa Waiver participants, by their very definition, are low-risk travelers. There has been no data which indicates that Visa Waiver travelers stay longer than permitted or otherwise violate the terms of their admission in any greater numbers than any other population of the traveling public. To the contrary, it appears the opposite is true.

Another important benefit of the Visa Waiver Pilot Program has been its impetus for expedited standardization of passports and machine readable documentation, as an inducement for acceptance of a country into the program. The ability to read a document by machine has greatly increased the efficiency of the Federal Inspection Service Process, and has allowed our member airlines to collect and transmit certain passenger data to INS in advance of the flight arrival.

While we strongly support the pilot program being made permanent as well as expanded, we also have several suggestions which might be of use in improving the program. First, a suggested improvement to the program would be a better INS tracking system. Congress obviously recognized this need when it enacted Section 109 and Section 110 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, which mandated a joint study and a transition to automated collection of arrival and departure information. The airline industry has readily participated in this joint study, and our report should be finalized in the near future. I would like to emphasize that no arrival and departure system designed to track accurately passengers who overstay their visits, or the movements of foreign visitors will be complete unless all modes of entry and exit are similarly controlled, including land and seaports. All arrivals by air do not depart by air; thus an open-loop automated system will always be statistically flawed.

I would also like to emphasize that, in our opinion, it seems unnecessary to delay making the Visa Waiver Pilot Program permanent until such a system can be put into place. The nine-year experience of this program is sufficient to prove the value of the program. Concurrently, this extensive experience has also proven the program poses limited risk to the United States. Keeping the program as a perpetual pilot program serves no useful purpose, and as I mentioned previously, has actually been a source of intense disruption when the program has been threatened with a lapse period, or as in one instance, actually did lapse for a period of time. The traveling public will be better served by making it permanent now. At a minimum, a multi-year extension should be considered as an alternative to making the program permanent. In the future, should events require that the program be modified somewhat, that action could then take place at the appropriate time.

On a related issue, our member airlines have been negotiating with INS, the U.S. Customs Service, and the U.S. Department of Agriculture for the last four years to enter into a cooperative venture whereby the carriers will provide biographic data electronically, in advance of the arrival of international passengers. We will be meeting again with INS, the lead agency, in the near future to finalize those discussions and presumably sign a Memorandum of Understanding (MOU) to begin this program. This data will provide additional information to the INS on all passengers, and particularly Visa Waiver passengers, allowing the INS to perform its lookout checks and analyses well in advance of the arrival of passengers. Not only will this further facilitate the entry process, but it will also prove an important and effective enforcement tool. In our preliminary joint discussions as directed by the 1996 Act, it appears this data could also serve as part of the backbone of an automated arrival and departure system. Thus, there should be no reason for further delays in making the Visa Waiver program permanent. In this regard, we strongly urge the Subcommittee to take action to accomplish this goal at its earliest convenience, but well in advance of the September 30th sunset date.

Mr. Chairman, I would be pleased to respond to any questions you, or any Member of the Subcommittee may have.

Senator ABRAHAM. I thank all three of you.

Senator Kennedy, we will turn to you if you have opening comments and/or questions.

Senator KENNEDY. Well, thank you very much. I would just put my opening comments in the record, if I could, Mr. Chairman.

Senator ABRAHAM. Fine.

**STATEMENT OF HON. EDWARD M. KENNEDY, A U.S. SENATOR  
FROM THE STATE OF MASSACHUSETTS**

Senator KENNEDY. Mr. Chairman, I want to join in welcoming our panels today, our first and second panel. I particularly want to commend Mary Ryan, Mr. Chairman. I have had the good opportunity to go down to that office in the State Department and see that operation work I am sure it is true for all of our guest witnesses today that it is often that the work that is being done, particularly in reuniting families and issuing passports, in many instances on an emergency basis, facilitating the opportunities for business travel, and sometimes with enormous complexity, difficulty, and timeliness, is work that is not always recognized or understood in the various stressful times that the Department is working on major issues and policy.

But it is something that makes a big difference to a lot of people's lives, and I just want to take this good opportunity to commend her for a long life of commitment in this office and say how much we benefit from her observations on so many of these issues and how much our committee has benefited from insights on so many of these questions that relate not only to numbers and countries, but very importantly to people.

I just wanted to visit for a moment about the importance of the visa program. I think Mary Ryan had mentioned the amounts of people that come into this country and take advantage of it and what it means in terms of American commerce. It is sort of counter-intuitive that we have this program that is set up and that because it is working and functioning today, it is not sort of some gimmick to bypass American laws and therefore more illegals sort of come into the country.

You would think if you had a more rigorous kind of a scheduling program and greater kind of oversight that you would be able to stop people from going through the program. But the point that you make is, looking at the profile of people that are coming in and recognizing from that profile the reality of their return to the country and being able to focus other resources where the real trouble spots are, in fact, you are able to make a greater impact in reducing illegal immigration from your particular shop.

I think that is enormously important because, generally speaking, people would think of it that way. I think, having watched that program function and work, the availability of both visitors and the business community in terms of international business—as we are moving on into the next millennium, is going to continue to grow in a very important way, and it will have to if we are going to be a part of the world community. I think that is something that we need some good understanding about.

And the other side of it is if we didn't extend this program in the fall, I would be interested if you could just briefly tell us what would be the implications on the consulates.

Ms. RYAN. Senator, it is almost too horrible to contemplate if—

Senator KENNEDY. Well, that is what we are used to around here. You have come to the right place. [Laughter.]

Ms. RYAN (continuing). This program is not extended, because we would have to go back to visa issuance in 25 countries which are low-risk, low-fraud countries. We would have to shift resources away from the higher-risk and higher-fraud countries in order to staff because we don't have enough staff really to do what we are doing right now. So we certainly don't have enough staff to add 25 countries to what we are doing.

It seems to me to be a loss all the way around. It is a loss for the State Department, it is a loss for the U.S. taxpayer, it is a loss for the travel and tourism industry. So you are right in saying that because we are able to shift our resources to the higher-fraud countries, we are doing a better job on border security. That certainly is our opinion.

These countries that are in the program—we are talking about the United Kingdom, France, Italy, Germany, Japan, Australia, New Zealand, countries like that, which are very, very low-risk and would make no sense to try to go back to visa issuance, plus millions of citizens of these countries would need visas. We couldn't do it, quite honestly. I don't know what would happen, but we really could not begin to be able to cope with the workload.

Senator KENNEDY. I would just mention all of the debate and discussion on Ireland. I have information that, for example, according to the 1996 report for the central statistics of Ireland from April 1995 to 1996, the number of people returning to Ireland from the United States was 10 percent greater than those leaving Ireland to come to the United States. You may be familiar with the study or the report.

This raises another kind of question, and that is I would think there would be more flexibility, or at least maybe we should be more flexible in terms of extending this program. I missed the earlier presentation in terms of Korea, but all you have to do is look at the numbers, the 458,000 that are coming into the United States. We have other areas that have particular interest—Portugal and Greece in our part of the country where there is enormous movement and increasing commercial kinds of activity.

If there was a review in terms of the monitoring of what happens to them after they come here—I mean, this is the entry-exit tracking system which I think you are familiar with. We passed that in 1981 and re-enacted, I think, in 1986, and I guess 1996 as well. Yet, that hasn't been sort of set up so that we would actually be able to monitor very closely who comes in, who stays, and who doesn't stay. That might be a way of sort of considering other countries, perhaps, with this kind of measure in place so we would know early on that there are going to be abuses that are taking place and then be able to do what has to be done to stop it.

Just developing this entry-exit tracking system would be very, very important, I would think, in being able to identify illegals that are going to be coming in. In any event, so you have better identification on the illegals, and you would also, perhaps, be able to provide enhanced opportunity for travel among people that are serious about either just visiting here or doing business here and then going home.

Could you give me your reaction?

Ms. RYAN. It would be enormously useful, Senator, and we are working with the Immigration and Naturalization Service to try to develop such a program where we have real departure controls so that we know who stays in the country. Right now, we really don't. I think the INS makes a very educated guess at it, but it is no more than that.

Senator KENNEDY. We have half of all illegals, as we know, those who overstay, so this would be important in terms of the illegals, and also you might have some flexibility in terms of some of the countries that are very close in terms of meeting the break-off point at the present time, you know, beyond the 25 countries. So we would be able to have some greater flexibility toward them.

Ms. RYAN. Yes.

Senator KENNEDY. Where are you on the development of the program? I mean, is this something that is in play at some time? I mean, what can you tell us about it?

Mr. CRONIN. We are certainly working on it right now, Senator, since the passage of the 1996 Act. It is nowhere near final form at this point in terms of saying what the system is going to look like or what we will certify as a departure management system.

We are doing a pilot right now on a single flight between Munich and Philadelphia using airline ticket stock as the basis for automated tracking of persons entering and departing the country. As Ms. Thomas mentioned, we are very close to entering into a memorandum of understanding [MOU] with the airlines in terms of expansion of receipt of automated data from the airlines to permit us to use that data to record the entry of people and to check our databases when they enter.

These are all building blocks going into that system. We do have another year and 3 months to work in terms of how that system is going to look in final form, but we are working on trying to pull these various parts of the system together.

Senator KENNEDY. I might just mention, since there is some contact from our part of the country with the BVI, the British Virgin Islands, which is the second most wealthy country in the Caribbean—they have inquired about whether there could be something that is similar to the Cayman Islands. I am not familiar in detail, but maybe I could inquire. You could perhaps send a response to me on that, whether that would be able to—

Mr. CRONIN. We are going to do a site visit to the British Virgin Islands.

Senator KENNEDY. OK.

Mr. CRONIN. There is a staffer going down there in a few months.

Senator KENNEDY. I would, if I could, Mr. Chairman—perhaps you will join—if we could ask both INS and State about, from the State Department's perspective, what impact has the waiver had on the control of the borders. How has the waiver program enabled consulars to stop illegal entry and facilitate bona fide travel? And for the INS, what is the INS perspective on the waiver contribution of controlling the borders, just to get additional kind of information because this is going to be a matter of some considerable debate, I believe?



I would appreciate the opportunity to gather from you for the record some rather specific information along this general area so that it helps build the case for those that are interested in building the case. And I would appreciate if you could keep us informed about how you are moving ahead with the development of the program in terms of the entry-exit review. I would be very interested in it. I think it is very, very important and could be really significant as a tool in terms of the illegals and we would be interested, and also perhaps in terms of some of the legal immigrants. It could be very, very important.

I want to thank the Chair, Senator Abraham, for the diligence and the work that he is doing in ventilating so many of these aspects of immigration policy. It is enormously important and greatly misunderstood in terms of many features of it, and needs the kind of oversight and attention that the good Senator is providing. It is a pleasure to have a chance to work with him, and I thank all of our guests.

[The prepared statement of Senator Kennedy follows:]

PREPARED STATEMENT OF SENATOR EDWARD M. KENNEDY

I commend Senator Abraham for convening this important hearing on the reauthorization of the visa waiver program. This program has served the nation well, and should be renewed.

The presence of so many distinguished witnesses here today urging us to expand the program is solid evidence of its growing importance to business and tourism in our states.

The Visa Waiver Program started as a pilot program in 1988 with only one country. Today, it has grown to become an important part of our overall immigration policy. Twenty-five countries now qualify for the program, and it is bringing significant benefits to the United States as well as to visitors from those nations.

Almost half of those who come to the United States for business or tourism now enter under this program. Billions of dollars in international business transactions are facilitated by the ease of travel that it makes available. According to the Travel Industry Association of America, tourists coming to this country under the program contribute \$84 billion to the economy and help support 947,000 American jobs in the tourist industry.

The visa waiver program also enhances immigration enforcement. Rather than spending tax dollars to conduct needless visa interviews, the program enables us to concentrate scarce resources on the real immigration problems of keeping criminals and terrorists out and dealing more effectively with visa fraud. As a result of this program, millions of dollars and scores of consular personnel have been reallocated to target the most serious immigration threats.

Countries must meet strict criteria before they can participate in the program, in order to prevent illegal immigration to the United States. The Attorney General can cancel a country's participation at any time, if she believes a waiver compromises law enforcement or national security interests.

Travelers from participating countries can come to the United States without visas, but they still must be interviewed by U.S. immigration officials at the airport or other points of entry before they are admitted to the country. INS statistics suggest that few travelers abuse the program to enter the United States illegally. INS has turned away less than one percent of those seeking entry under the program.

Despite its benefits, there are issues that must be addressed. I will be interested to learn today when the Immigration Service will develop the capability to track not only who comes into the United States, but who leaves the country. Today, we do not know this information with enough certainty, but it's an important fact in deciding whether countries should remain in the program.

We will also have a chance to ask whether it is appropriate to modify the criteria to include additional countries, and if so, whether additional steps are needed to prevent illegal immigration.

Again, I commend Senator Abraham for holding this important hearing.

Senator ABRAHAM. Thank you, Senator. Thanks for coming today.



I would just follow up, really, Senator Kennedy's last request. I think it would be as helpful as possible to have both anecdotal as well as statistical analysis with regard to consequences of this program.

Ms. RYAN. Absolutely, Mr. Chairman.

Senator ABRAHAM. Let me turn to one specific issue, and maybe it was in the testimony and I didn't hear it, Mr. Cronin. I want to just come back. I know I heard both of the other two witnesses indicate that their recommendation was for permanent extension. Did you make a comment on that?

Mr. CRONIN. As I indicated, the Attorney General has requested an overall review of the program. We have convened an inter-agency working group which is now looking at the program in many aspects, and they anticipate the work of that panel being done within 6 months. And the Attorney General at that point would be prepared to make a recommendation as to whether the program should be permanent or not. I have to say until that point we would support a temporary—we certainly support reauthorization of the program.

Senator ABRAHAM. It kind of went past me as to whether you had indicated a position.

Let me ask all of you, though—obviously, there is a wide range of interim options to a permanent solution. Some would suggest another 1-year extension, as we have basically been operating on now. Could you just comment on the impact of a simple 1-year extension versus a longer extension? Should we not make it a permanent extension?

Ms. RYAN. We would favor a multi-year extension rather than a 1-year extension. The 1-year extension I don't think provides us enough time. Lots of citizens of the visa waiver countries become apprehensive toward the end of September and want therefore to have visas, so that we have a heavier workload in those consulates and embassies in those countries for no reason, because with the exception of 1994 when the program lapsed for just about a week, it has always been reauthorized.

But in the run up to September 30, we are heavily impacted by citizens of Germany, particularly, but other countries as well, who fear that they are not going to be able to get into the United States unless they have a visa, and therefore want a visa. So from our perspective, we would much prefer more than a 1-year extension.

Senator ABRAHAM. Would the others care to comment?

Ms. THOMAS. Mr. Chairman, we strongly agree with Ms. Ryan. We, too, have experienced the panic and the anxiety in September of every year, you know, in a 1-year extension situation where our agents abroad have to deal with the passengers. It becomes a training issue as to whether or not to board a person without a visa. It becomes a long-range planning issue, and we would strongly support a multi-year extension as opposed to a 1-year extension.

Mr. CRONIN. The length of the extension really wouldn't be of great moment to us, Mr. Chairman. The multi-year extensions have worked well in the past.

Senator ABRAHAM. Mr. Cronin, let me just go back to the question of the exit-entry program. Actually, to all of you on the panel, where in your—I realize it is impossible to say that precisely on a

given date, something will be finished, but I believe the legislation that was passed last year set as a target date September 30, 1998.

Mr. CRONIN. 1998, right.

Senator ABRAHAM. Is it your current position, or is it the INS' view that that date will be met?

Mr. CRONIN. In terms of having a system ready to go in at least some environments, yes. We are very, very concerned about land border in terms of a lot of infrastructural issues. We don't do departure staffing on outbound lanes at this point. There are a lot of issues in terms of how we would actually gather data on outbound persons on land border and in other environments—private aircraft and boats and that sort of thing. In the airport environment, we can certainly—because it is a more controlled environment, we will certainly be ready to go by the target date, I think, in terms of having a system up and running.

Senator ABRAHAM. Currently, the I-94 program—is that the current program that I guess you all have been working on?

Mr. CRONIN. Right.

Senator ABRAHAM. Could you describe what the problems are with it because I know it has not been able to work and leads us toward finding alternative solutions?

Mr. CRONIN. I would be happy to. The system basically in terms of what it is designed to do does indeed work. A paper record of arrival is collected on every nonimmigrant who enters the United States in certain categories. Not all nonimmigrant entries are documented. Persons crossing the Mexican border use a border crossing card, for example, so we don't capture data on those land border crossings.

But persons entering basically from Europe and the Eastern Hemisphere do complete a landing card. The arrival portion of that card is endorsed by the officer and sent to a data entry contractor who enters that record into a system. The person is left with a departure record which remains in the passport and when they depart the United States, the airlines collect that record and batch it and send it to INS at the port of entry, who then sends that to a contractor for entry of that data into the system and matching of those records.

We do indeed use that system to track individual cases, and if persons are reflected as overstays, that data goes into our look-out system to try to intercept those people. The problem has arisen in terms of making statistical formulations of overstay data from that system. Up until 1992, the data was relatively stable and our statisticians could use the data in the system to project relatively accurate overstay rates on a country-by-country basis.

What we found due to a series of problems, actually, was that in the years after that they became unable to do their calculations on the basis of the data they had. There were spikes in data that were unexplained. There was some data lost that was unexplained. We revamped the system. We did put a new system in place in 1996, but encountered some problems with that system as well. The matching criteria were far too tight.

When persons submitted departure records, even a minimal discrepancy would cause that record not to be matched. So we were generated false overstay records on individuals, as well as false

overstay rates. And we are now working once again to revamp the system and attempt to correct the problems we had with that so we can at least use that data to do those overstay projections.

Senator ABRAHAM. So, basically, you were having problems as simple as a kind of merger problem on your file?

Mr. CRONIN. It is a matching of the arrival and departure record, precisely.

Senator ABRAHAM. So if Cronin was spelled with two n's by accident on the departure file, then it wouldn't match up with the entry file if it had one n?

Mr. CRONIN. If there was a problem with the date of birth, if there was a letter missing even from the country of citizenship, we were having difficulty with that. Again, with the system that was reintroduced, there made the matching criteria far too tight.

Senator ABRAHAM. I gather in moving toward this automated exit-entry system, some of these problems are being addressed?

Mr. CRONIN. Absolutely. We have directed the ports of entry to be a bit more assiduous with the airlines in terms of ensuring that data are collected properly. But, also, we are looking at those in terms of the departure system.

Senator ABRAHAM. Does that make it difficult, though, to determine with regard to the waiver program whether a country that has been part of the program remains qualified?

Mr. CRONIN. Overstay rates would be certainly the easiest way to judge whether that 2-percent violation rate has occurred. However, we do track every other indicator. We track exclusions. We track withdrawals and refusals of persons at the port of entry. We track criminal apprehensions by nationality and immigration violations by nationality. So, overall, you know, we are confident in saying that the program is functioning the way it is supposed to. The nationalities remain low-risk and we don't see indicators of tremendous abuse.

Senator ABRAHAM. Ms. Ryan, do you feel comfortable, as well, with regard to the monitoring of the countries who qualify or those who seek to qualify?

Ms. RYAN. Yes. As Mr. Cronin said, INS does monitor the turn-around rates, the criminal aliens, all of that. So, yes, we are comfortable with the statistics.

Senator ABRAHAM. Did you want to comment on this process because I know the Air Transport Association is also involved? We would appreciate your perspective.

Ms. THOMAS. Yes, Mr. Chairman. Thank you. I think just from Mr. Cronin's description of the current paper process, you can easily see what the problem is. It is a question of little pieces of paper going through too many hands, and there is a great opportunity for loss of large amounts of data and we know that that has occurred.

As Mr. Cronin has said, that has resulted in false overstay rates, as well as just tremendous gaps of information. And so we have been working very closely with them, particularly within the last 6 months, to bring some of these online programs to fruition.

Senator ABRAHAM. Let me ask you, just to follow up to satisfy one of my concerns here, on the disqualification rate—that is, countries that are part of the waiver program—that basically is folks who are turned away at the border who have gotten that far be-

cause of the waiver, but are still analyzed in terms of whether or not they are on a—

Mr. CRONIN. It is a total of all violations, Senator. It would be also persons who are apprehended in the country.

Senator ABRAHAM. OK, so it is all of those factors?

Mr. CRONIN. Right.

Senator ABRAHAM. And that is when you talked about the numbers going up a little bit?

Mr. CRONIN. That was refusal at the port of entry, yes, exactly. We have seen increases, and again the numbers, I think, speak for themselves. You talk about 7,000 refusals out of 12 million admissions, so it is a minuscule problem, and we think in relation to the passports of visa waiver countries and abuse of those passports, an increase in refusals at the ports of entry.

Senator ABRAHAM. One other thing, then, that I am going to request maybe would be a further elaboration—and perhaps that has already been submitted in testimony or in other forms—as to the various criteria and factors that are used to make these disqualification assessments. Inasmuch as we are having trouble with the exit-entry system, people say, well, how can we be confident of any of the decisions that are made? It, of course, works the other way, too. People say, well, gee, we are being excluded and we should be included, but the data are inaccurate. So if somehow between the Justice Department and the State Department, we could get a full explanation or maybe an outline of how the different factors are combined, I would appreciate that.

It is almost 5 o'clock and, as I say, we started late, but I do want to ask a couple of questions pertinent to the issue of Senate bill 290 with regard to Korea. First of all, I would ask all panelists if they would like to make just sort of general comments on the proposal that is before us.

Ms. RYAN. Thank you, Mr. Chairman. Yes, I would. The State Department would oppose Senator Murkowski's bill as written. We think that it should be U.S. Government officials who make the decision on visa eligibility and we should not give that authority to travel agents. If the decision is made that Korea should be included in the Visa Waiver Program, we would much prefer the kind of criteria in the established program.

I mean, you might raise the refusal rate or do it that way or do it in 1 year or something like that, but some objective criteria that we could point to to other countries who might also want to be in the program. I would point out that Mexico is our second biggest trading partner, so if we are going strictly on the basis of who our big trading partners are, I think we would want some other criteria to include countries in the Visa Waiver Program. We would much rather have objective criteria such as exist in the program now.

Senator ABRAHAM. Mr. Cronin.

Mr. CRONIN. I just want to be able to make a more definitive statement, Senator, after the Department of Justice review is completed on the program. But as of right now, at least, we are certainly comfortable with the criteria as they exist and would oppose any change in the criteria for eligibility of countries in the program.

Ms. THOMAS. As I said in my oral testimony, we welcome the inclusion of additional countries. We do feel that that is a Government function, so we would neither support nor not support any particular country. However, we do raise the concern that instituting a pilot program that has different criteria than the currently participating countries—we would not support that scheme.

Senator ABRAHAM. Let me ask—and I am not sure who might have the answer to this. South Korea is close, as I understand it, to the sort of rejection rate—

Ms. RYAN. It is close, but it hasn't met the established criteria.

Senator ABRAHAM. The 2 percent, or no higher than 2.5 percent?

Ms. RYAN. The 2 percent and no more than 2.5 percent in any one year.

Senator ABRAHAM. Are there other countries that are in that range right now?

Ms. RYAN. Yes. We have a chart that would show you all the countries that are in the range of South Korea. It is sort of hard to read, small print, but—

Senator ABRAHAM. If I can read this, then I don't have to have an ophthalmology appointment for 6, 7 years, right? [Laughter.]

Ms. RYAN. You can see that Korea is at 2.87 percent.

Senator ABRAHAM. Could you turn the chart just slightly? That is fine for me, but I don't know if the panel can see it now.

Ms. RYAN. Korea is at 2.87 percent refusal rate for fiscal year 1996.

Senator ABRAHAM. So there are essentially 3 countries that are—

Ms. RYAN. All of the countries above Korea would thereby have lower refusal rates for fiscal year 1996. The countries that have been discussed were—of course, Greece was one that was mentioned. Portugal was mentioned. Portugal is down here at 3.2 percent. Greece is at 2.48 percent, which is lower than Korea is, and then there are these countries above with lower rates, under 2 percent, starting with South Africa and working all the way down to the Solomon Islands. We issued 34 visas and we didn't refuse any.

Senator ABRAHAM. Somebody has just given me exactly this chart. None of the countries on this list then are currently eligible for the program?

Ms. RYAN. Countries are under 2 percent, but we have other concerns, either law enforcement concerns or the security of their passport or their citizenship laws, things like that. So we are not prepared to propose to the Attorney General any other countries. We have one country that is pending a decision by the Department of Justice, and that is Slovenia, which we think could be added to the program. We are waiting for the Justice Department's decision.

Senator ABRAHAM. Has any preliminary discussion with respect to the Korea eligibility taken place as to these other criteria?

Ms. RYAN. The other criteria?

Senator ABRAHAM. Well, the ones that have caused these countries that are below 2 percent to be—

Ms. RYAN. No. Korea has a machine-readable passport, and I believe their citizenship laws are very stringent. One of the problems that we are concerned about is the real jump in the reported lost Korean passports. There were 8,000 Korean passports reported lost

in 1993. There were 24,000 reported lost in 1995. That is a big jump.

Senator ABRAHAM. Right.

Ms. RYAN. And we fear that Korean passports are being used by non-Koreans, photo-subbed, particularly the People's Republic of China who are trying to enter the United States with photo-subbed Korean passports.

Senator ABRAHAM. Let me ask you not for today, necessarily, but perhaps as a follow-up to this to provide us with, if you could—maybe it has already, again, been submitted through staff—just a detail of some of these other reasons by which countries that are below 2 percent are not included.

Ms. RYAN. Certainly, sir.

Senator ABRAHAM. And to the extent it is appropriate and feasible where Korea would—how they would be evaluated on those measuring sticks so we would have a sense of whether or not, if the number was changed or if their number went down, they would meet the qualifications. That would be helpful, as well as the concerns you have raised, if there are others besides the lost passport issue.

Ms. RYAN. Yes, sir, we will do that.

Senator ABRAHAM. We would be interested, I think, in having that all for the record.

Let me ask you also, with respect to the bond as a safeguard that has been discussed as part of that legislation, what, if any, response does State have to that as a proposed way to mitigate—

Ms. RYAN. We think it is impractical and unwieldy, and we would not be in favor of that.

Senator ABRAHAM. Could you elaborate on what the problems are?

Ms. RYAN. I can answer for the record. I mean, they are establishing about a \$200,000 bond. If somebody didn't return, would that mean that the travel agent would automatically forfeit the bond? Were there reasons beyond his knowledge? Should he be the person who makes the decision on whether somebody is admitted to the United States or not? There are all kinds of problems with it. I would be happy to answer more fully for the record.

Senator ABRAHAM. OK.

[The information referred to follows:]

#### RESPONSES OF MARY A. RYAN TO QUESTIONS FROM SENATOR ABRAHAM

*Question 1.* Assistant Secretary Ryan, Senator Murkowski's bill calls for travel agencies to post a \$200,000 bond to assure the return of Korean visitors participating in group tours to the United States as part of a program which would waive nonimmigrant visas for these visitors. Does the Department of State have any concerns about implementing these provisions if they were to become law?

*Answer 1.* Logistically this procedure would be very cumbersome for the Department and for the travel agencies as well. First, we would have to develop procedures for holding the money and for its forfeiture in the event visitors did not return. I assure you there will be cases of package tour members who do not return. Despite our best efforts, some applicants who intend to stay in the U.S. lie successfully to our consular officers and get visas. Some would also lie to travel agents and stay illegally in the United States.

The other major problem is how to verify the return of these visitors. We would not want to rely on the travel agents themselves to certify the return of their clients since this would be an obvious conflict of interest. And without U.S. departure controls, we have no definitive way to know an individual failed to depart. The best

way of assuring that each visitor under this program returns to Korea would be to require that the visitors personally come to our Embassy with their passports after the completion of their trip. This process would be even more cumbersome than applying for a visa.

Further, the requirement of a bond actually places travel agents in a less advantageous position than at present. Right now, participating travel agents submit visa applications on behalf of their clients through the Embassy's T.A.R.P. program. No bond is required and applications are handled promptly.

*Question 2.* If Korea were to meet the refusal rate criteria, would it otherwise qualify to participate in the VWPP program?

*Answer 2.* As you are aware, recent legislation granted sole authority to the Attorney General in making final designations of countries for inclusion in the VWPP. Previously, the final determination was made jointly by the Attorney General and the Secretary of State.

The immigration act does not base VWPP inclusion solely on the refusal rate. In addition, a country must meet the following conditions:

- (A) The country must offer reciprocal treatment for American travelers;
- (B) The country must be issuing or developing machine-readable passports;
- (C) The Attorney General must determine that U.S. law enforcement interests would not be compromised by designating the country for the VWPP.

Korea offers visa-free entry to American business visitors and tourists. They issue machine readable passports. Because Korea has never met the basic statistical requirements for consideration in the VWPP, the Justice Department has not conducted a broad review to determine if there would be any law enforcement consequences.

Senator ABRAHAM. Do either of you have any comments further on this issue?

Mr. CRONIN. No, Senator, thank you.

Ms. THOMAS. No, thank you.

Senator ABRAHAM. Well, I think inasmuch as we have passed 5 o'clock that we will let the hearing come to an end. We would appreciate fuller explanations on those for the record.

Ms. RYAN. Absolutely.

Senator ABRAHAM. I would also say I know there are some still here, some of the witnesses from the first panel who may now have a further insight into some of the concerns that have been raised, and we would welcome any follow-up statements for the record or responses for the record that might be apropos in light of the situation because we would like to hear all sides' views on this as we move ahead.

We have a statement that Senator Feinstein has submitted and we will include that in the record at this point.

[The prepared statement of Senator Feinstein follows:]

PREPARED STATEMENT OF SENATOR DIANNE FEINSTEIN, A U.S. SENATOR FROM THE STATE OF CALIFORNIA

Mr. Chairman, the Visa Waiver Pilot Program has been lauded for contributing to the increase in overseas trade and tourism since its creation by the 1986 Immigration Act.

Over 60 million tourists and business travelers have taken advantage of this program since 1988, generating an estimated travel and tourism revenue of \$467 billion and \$64 billion in tax revenues for federal, state and local governments in 1995 alone.

Recent testimonies by the tourism industry before the House Immigration Subcommittee indicates that the current program is considered a success because it increases tourism and trade without seriously jeopardizing border security and increasing illegal immigration.

However, despite its successes, problems exist.

## DOCUMENT FRAUD

INS testified today at the Immigration Subcommittee Hearing that the current visa waiver program encourages document fraud due to limited security features in some visa waiver passports, and multiple passport-issuing authorities used by some countries under the visa waiver program.

INS also indicated that the attractiveness of using visa waiver pilot program passports to enter the U.S. illegally has increased along with the use of lost or stolen blank visa waiver passports. In fact, INS indicated that the number of visa waiver pilot program applicants who have been refused entry increased from 2,000 persons in 1995, to 7,011 in 1996, mainly due to increases in document fraud.

Although INS has been working to combat document fraud by circulating up-to-date information on fraudulent documents, INS is unable to combat this ever increasing problem alone.

What is more disturbing is that currently, INS and the State Department are unable to accurately calculate the number of visa overstays because there are no computerized entry-exit match systems in all ports of entry.

As you know, Congress recently passed the most comprehensive Illegal Immigration Reform since 1986, making it clear that Congress will toughen sanctions for document fraud, stiffen penalties for alien smuggling and impose stiff sanctions for visa overstays and illegal immigration. In fact, 64 percent of INS' \$3.6 billion budget request for FY98 was for enforcement activities against illegal immigration.

Before we reauthorize the current visa waiver pilot program or even worse, expand the program to other countries who may not even meet the current standards to be eligible for the visa waiver program, we must carefully study the costs and the benefits of the visa waiver program and its impact on document fraud and illegal immigration, making certain that those who come into the country do not overstay and add to the illegal immigration problem.

Thank you Mr. Chairman and I look forward to the testimonies.

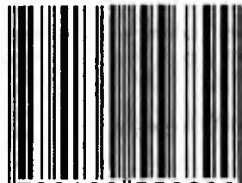
Senator ABRAHAM. I want to thank all of you and certainly concede that the challenge of trying to make this work is a great one and we will do our best to try to work with you to get this done in the next 2 months.

Thank you.

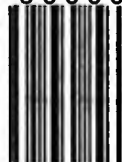
[Whereupon, at 5:08 p.m., the subcommittee was adjourned.]

○

ISBN 0-16-055689-9



90000



9 780160 556890