“Psst, Mr. President – Want Half a Million New U.S. Jobs?”

By Dr. Richard R. Kelley

International travel to the United States is a major source of exports and jobs. Yet over the last 10 years, the U.S. has lost more than a third of its share of the international travel market. A few changes by an enlightened U.S. government, plus some help from the private sector could recapture that market share quickly. International travel has the potential—in just four years—to create up to 500,000 new jobs and generate up to $60 billion in additional exports annually, all without bailouts and at minimal cost to taxpayers. If you are interested, please check this out, Mr. President!

That’s the message of the report issued on February 1 by the Travel Facilitation Subcommittee of the Travel & Tourism Advisory Board to U.S. Secretary of Commerce Gary Locke. The chair of the Travel Facilitation Subcommittee is Hubert Joly, President and CEO of Carlson, the global hospitality and travel company. The report can be found at http://tinyurl.com/4hgbcow.

The Problem

Many have reported for years that the procedures in place to issue visitors’ visas to the U.S. are broken and antiquated. I have written about it several times in recent months. Now, for the first time, this report concisely documents the problem and gives credible estimates on how much this is costing our nation in terms of inbound international visitors, revenue and jobs.

International visitors do far more than just stay in hotels. They shop, take sightseeing tours, eat in restaurants, attend entertainment events, visit historic and scenic sites, and so on. The dollars they spend are then re-spent again and again, creating ripples of prosperity throughout the economy. The impact of the loss of more than one-third of our share of this enormous market is staggering.

The U.S. has been particularly derelict in making it easy for travelers to come from the “BRIC Countries” (Brazil, Russia, India, and China) whose economies have really been booming recently.

China is now the world’s second- or third-largest economy, depending on who is doing the counting. China sent 56 million travelers to overseas destinations in 2010, a 17.5 percent increase over the previous year, according to a report just released by the China National Tourism Administration.

Yet, if a Chinese citizen wants to get a U.S. visa, he or she has to go to a visa processing location at a U.S. consulate for a personal interview. However, there are only five U.S. visa-issuing locations in that enormous country of 1.3 billion people. In July 2010, the average waiting/processing time to get a U.S. visa in China was 48 days—over a month and a half! (That time had been cut to 24 days by October, but that is still unacceptable. Can you imagine how many customers we would have if it took three and a half weeks to get a response to a request for a reservation at an Outrigger or OHANA hotel?)

Continued on page 2
By comparison, the United Kingdom has 12 visa processing stations in China with an average waiting time of 11 days in July 2010. The waiting time to get a visa to France was only eight days in 2010. No wonder more Chinese visit Paris than the entire U.S.!

In addition, there is the issue of high visa refusal rates. In China, after waiting weeks for an appointment to apply for a visa and paying to travel to one of five cities with a visa processing location for an interview, nearly one in five applications are initially refused. After appeals and the filling out of new applications, the net refusal rate is still 12.2 percent. That is an improvement on the 22.5 percent refusal rate in 2005, but 12.2 percent is still unacceptably high.

The ridiculous visa hurdle hurts business as well as leisure travel. For example, in 2010, Chicago hosted the BIO International Convention (which bills itself as “The Global Event for Biotechnology”), and China wanted to send 400 delegates. However, only 70 were able to get a U.S. visa. These are scientists and businesspeople who have good jobs to return to back home, not aspiring immigrants like the poor people from Mexico, Central America, and Haiti who risk their lives to come here illegally in the hope of finding menial jobs. For heaven’s sake, our government needs to get its head on straight!

The Advisory Board’s report cites similar problems in the other BRIC countries. We have only four visa processing locations in Brazil – a nation only a little smaller than the U.S. that is home to over half the entire population of South America. We have five visa processing locations in India, the world’s second-most-populous country, with nearly 1.2 billion people, whose economy and middle class are growing rapidly.

For the international traveler who does manage to get a U.S. visa, his or her treatment at the U.S. border or port of entry is often less than welcoming. The mean processing time through immigration is 36.5 minutes, with 24 percent of those arriving being required to wait over 46 minutes. During peak times at many U.S. airports, the wait is two hours or more. The worst port of entry is Miami, where the wait for processing is two hours and 45 minutes on a typical peak day.

The Solution
The Travel Facilitation Subcommittee’s report gives details on how the U.S. can recapture its market share in inbound international travel and create up to 500,000 new jobs and $60 billion in additional exports by taking the following actions:

1. Capitalize on programs already started, such as the Global Entry Program, which provides low-risk, frequent travelers expedited entry and processing with the use of biometric security identification documents.
2. Expand the Model Airport Program, which focuses on staffing levels, training, and physical environment to significantly improve travelers’ experience at gateway airports.
3. Expand the Visa Waiver Program to add more low-risk countries so their citizens do not have to go through the costly, time-consuming, and demeaning visa application process.
4. Significantly increase the staffing of existing U.S. visa processing locations, and add four to six new locations in China, India, and Brazil.

Benchmark goals should be established, such as less than a 20-minute waiting time for immigration processing at ports of entry, a maximum waiting time of seven days for visa application processing, a visa refusal rate of less than 10 percent, a minimum satisfaction rate of, say, 75 percent, etc.

And, the great news is that these improvements will not burden the U.S. taxpayer. Processing a visa application is already a profitable service. The $140 per visa charge far exceeds the cost to Uncle Sam. Processing additional visas could generate between $630,000 and $1,125,000 net revenue – i.e., profit (what a concept!) – per visa officer per year for the State Department, according to the subcommittee’s report. Those funds could be used to cover the cost of improving service at airports and other ports of entry.

And, did I mention that these programs will create up to 500,000 new U.S. jobs and $60 billion in new export revenues?

President Obama, the World Travel & Tourism Council will hold the World Travel & Tourism Summit in Las Vegas in a little over two months, May 17-19. Mr. Joly and I plan to be there. We hope that you and Commerce Secretary Locke will join us and announce the implementation of the measures outlined above.

If that happens in Vegas, it won’t stay in Vegas. Your leadership will immediately be heard around the world!