GATEWAY TO JOBS & GROWTH

Creating a Better Traveler Entry Process

U.S. TRAVEL
ASSOCIATION

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EXECUTIVE SUMMARY

For millions of people around the world, a trip to the United States is the dream of a lifetime, whether travelers are coming for leisure to experience our natural splendors, for a family reunion, or for business, looking to buy American products or to attend meetings and conventions. Yet at the same time, millions of travelers are choosing not to come to the United States because our current entry process is often slow and at times confusing, creating an unwelcoming environment for guests visiting the U.S. and negatively impacting the U.S. economy.

The simple fact is that the entry process into the United States must be improved.

The men and women who work for U.S. Customs and Border Protection (CBP) are dedicated public servants. We respect and salute the job they do every day and night in enforcing our nation's law enforcement priorities, including combating human trafficking and illegal drugs and the protection of intellectual property, as well as payment of Customs duties. Moreover, CBP's leadership deserves credit for implementing improvements to the entry process over the past several years – from launching the popular Global Entry program to eliminating paper forms like the I-94.

However, it has become increasingly clear that CBP needs additional resources to hire sufficient officers and purchase innovative technologies that will make the process work more effectively. In addition to more funding, CBP should also consider implementing flexible staffing models and increase public transparency of the process.

In 2012, our country established a goal of attracting 100 million international visitors by 2021, an increase from 67 million international visitors in 2012 and an influx of travelers that would add $250 billion to our economy every year.[1] This goal reflects travel's increasingly important role as a driver of U.S. economic growth, as well as the recognition that the international travel market has become one of the most lucrative and highly competitive in the world.

What Is the Entry Process?

After a plane lands or a ship docks, the entry process into the United States consists of two parts.

1. The first part, "immigration" or "passport control," involves a check by a CBP officer to be sure that the traveler is who he or she claims to be, through the use of a passport, biometric checks, or other types of security checks. Global Entry members are processed via a kiosk rather than by an officer. This process also ensures that the person has the required permission — such as a visa, if necessary — to enter the U.S. Biographic watch-list checks have been conducted prior to arrival.

2. The second part is customs control. Once the traveler's bags are delivered by the carrier, they are checked for contraband or items requiring the payment of customs duty.

Generally, major ports of entry have two separate lines, one for U.S. citizens and legal permanent residents, and another for citizens of other countries. In this report, we focus on passport control and use "the entry process" or "the CBP entry process" as shorthand for the steps that travelers must take to enter the U.S.

In order to meet this ambitious but achievable goal – and reap the economic benefits it promises – our nation's entry process must be funded sufficiently and reformed. The economics of international aviation are complicated, and a range of factors – airline scheduling, weather and mechanical delays, facility capacity and baggage delivery – affects how smooth each traveler's experience may be. However, this report focuses primarily on a series of practical policy proposals within the government's control to reform the CBP entry process for international visitors to the U.S. This goal can be achieved without reducing the security protocols deployed since September 11th that are necessary to protect America.

The economic impact of the current situation is great, and the benefits of reform would be a much-needed boost to the American economy. All told, we estimate that the economic cost of delaying and deterring visitors is $95 billion over five years and 518,000 jobs. Among travelers who come here, we estimate the effects of simply standing in line instead of traveling cost the U.S. economy $416 million and 3,700 jobs. If, in contrast, the primary inspection process did not exceed 30 minutes, we estimate that the economy would gain about $3.5 billion in new spending, supporting 24,000 jobs.

This report identifies potential solutions to address CBP staffing shortages and decrease excessive wait times at international air ports of entry. Necessary reforms, described in greater detail below, include:

- **Hiring additional CBP officers** to meet staffing levels required by CBP's Workload Staffing Model and to address the challenge of welcoming 100 million visitors;

- **Staffing flexibility** to ensure CBP officers are allocated appropriately to maximize staffing efficiency;

- **Enhanced technology** to alleviate pressure on CBP officer staffing;

- **Increased accountability** including establishing a 30-minute wait-time goal, barring emergency circumstances, for all passenger processing; and

- **Enhanced transparency** to improve government and private-sector coordination.

The travel industry has long had a valued partnership with CBP, and we look forward to working with the agency, other federal departments, airport authorities, airlines and the private sector to accomplish these important tasks.

THE OPPORTUNITY: GLOBAL TRAVEL = ECONOMIC GROWTH

International travel remains one of the few bright spots in the global economy. Despite the fragile recovery, global travel spending continues to grow at impressive rates. Worldwide long-haul arrivals grew 40 percent between 2000 and 2010, from 151.7 million to 213.1 million.[2] From 2010 to 2020 long-haul arrivals are forecast to rise by an additional 51 percent.[3]
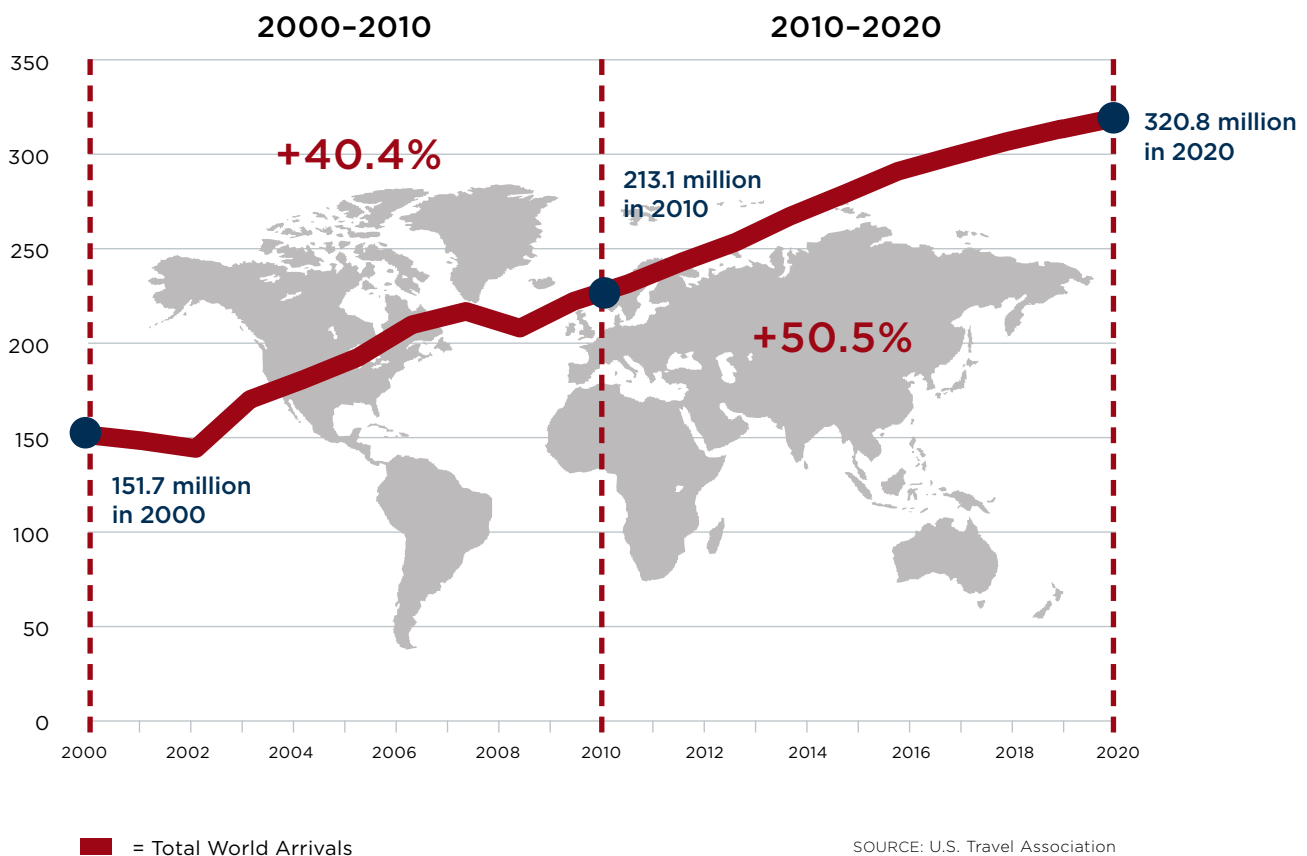
Even more impressively, global travel spending is forecast to grow by 95 percent between 2010 and 2020, reaching $1.74 trillion and making travel an increasingly important contributor to GDP growth for countries able to attract more international visitors.[4]

To spur our economy, the U.S. has established a national goal of attracting 100 million international visitors by 2021, an increase of 33 million over the 67 million visitors we welcomed in 2012. This would boost our economy by $250 billion every year and create tens of thousands of new jobs. The question is: Will the U.S. put the policies in place to seize this opportunity?

2000–2012: Losing Market Share, Travel Spending and Jobs

Between 2000 and 2012, the number of long-haul worldwide travelers increased by 78.8 million.[5] During that time, the U.S. share of global long-haul travel fell from 17 percent in 2000 to just 12.9 percent in 2012. The bottom line: Tens of millions of new travelers went somewhere other than the U.S.

FIGURE 1: International Long-Haul Arrivals: 2000–2020 (Millions)

2000–2010   **2010–2020**

+40.4%

+50.5%

151.7 million in 2000

213.1 million in 2010

320.8 million in 2020

= Total World Arrivals

SOURCE: U.S. Travel Association

Our failure simply to keep pace with the growth in international long-haul travel from 2000 through 2012 cost our economy significantly:

- 98 million lost visitors;

- $720 billion in lost spending, including $309 billion in direct spending in the U.S. travel industry, $85 billion in international airfare receipts, and $326 billion in downstream spending at restaurants, clothing retailers and scores of other small businesses;

- Half a million jobs that could have been supported annually for the U.S. travel industry and other industries in all regions of the country; and

- $49 billion in direct lost tax revenue at the federal, state and local levels.[6]

2013–2020: Preparing for 100 Million Visitors

International visitors to the U.S. – especially from overseas – stay longer and spend more money than domestic travelers. One particularly important trend in the global travel market is the boom in travel from the rapidly expanding middle and upper classes of the emerging economies in the developing world, countries like Brazil, Russia, India and China (BRIC).

While overseas visitors, on average, spend nearly $4,500 per person per trip, visitors from China and Brazil spend much more: $5,200 for Brazil and $6,000 for China.[7] Several of the BRIC countries have shown major passenger increases to the U.S. in recent years (2007–2012), including China (271%), Brazil (180%) and India (28%).[8] These statistics show the importance of the BRIC countries and other emerging markets to global travel growth.

Increasing international travel has helped make travel the nation's largest service export. In economic terms, international travel is counted as an export because dollars come into the country in the same way as they do when foreigners buy American cars, grain or software. Every 33 overseas visitors who travel to America support one U.S. job.[9] This is why continuing to expand travel exports

"China, in particular, continues to hold enormous potential that we need to be poised to capitalize on. Chinese visitors also spend more in Los Angeles than nearly all other international visitors, making their potential contributions to our economy vital."[10]

— **Antonio Villaraigosa,** Former Los Angeles Mayor

"DHS has a broad mission that touches almost every aspect of our economy…We protect our borders and ports of entry while facilitating trade and travel. Last year CBP officers processed more than 350 million people and facilitated nearly $2.3 trillion in trade." [11]

— **Janet Napolitano,** Former U.S. Secretary of Homeland Security

President Barack Obama,
Orlando, Florida, January 19, 2012

is one of the best ways to get more Americans back to work – and why barriers to expanding travel are so costly and damaging to the economy as a whole. As President Obama noted on the day he signed his Executive Order on travel and tourism in January 2012:

We also want to get more international tourists coming to America…. We can make sure that we're doing a good job keeping America secure while at the same time maintaining the openness that's always been the hallmark of America and making sure that we're welcoming travelers from all around the world. [12]

The Impact on Local Economies

These overall spending figures provide just a glimpse of the benefits of international traveler spending across the U.S. economy. According to economic analysis performed on behalf of Dallas/Fort Worth International Airport (DFW), a new international long-haul route in and out of DFW provides up to $200 million in annual economic impact for the regional economy. [13]

Policy changes can make a huge difference in the number of international visitors for local communities. After South Korea was added to the Visa Waiver Program, for example, the number of weekly flights between DFW and Seoul has increased to 14 from just three a few years ago. [14]

Or consider Miami International Airport (MIA). First in the nation in international freight and second in international passengers, the airport is responsible for about 250,000 jobs in the surrounding region. [15] MIA is also growing: Visa reforms that make it easier for travelers to come to the U.S. have increased the number of Brazilian passengers to MIA by 87 percent in recent years. [16]

REPAIRING THE LAST LEG OF A THREE-LEGGED STOOL: TRAVEL PROMOTION, VISA PROCESSING, AND IMPROVING THE ENTRY PROCESS

The process of attracting more international visitors rests on a three-legged stool: travel promotion, visa processing and improving the entry process.

1 PROMOTION

Through Brand USA, the nation's first-ever national travel promotion program, the U.S. is now competing aggressively to win international visitors.

Discover America.com

2 VISA PROCESS

The U.S. Department of State has dramatically cut wait times for interviews and improved the overall customer experience.

3 ENTRY EXPERIENCE

This is the next great challenge the U.S. must address in order to attract more visitors

The first leg is **promotion**. The U.S. must have a robust promotion effort to extend an invitation to people to visit and to help explain our security policies. The nation took an important step in this direction in 2010 when President Obama signed the bipartisan Travel Promotion Act, which created Brand USA, the nation's first-ever national travel promotion program.[17] The U.S. is now competing aggressively to win international visitors against global competitors who have long understood the value of promoting their countries as travel destinations.

The second leg is a simple, timely and secure **visa process**. In many countries where travelers require a visa, the U.S. Department of State has dramatically cut wait times for interviews and improved the overall customer experience, adding consular officers and streamlining the application procedures.
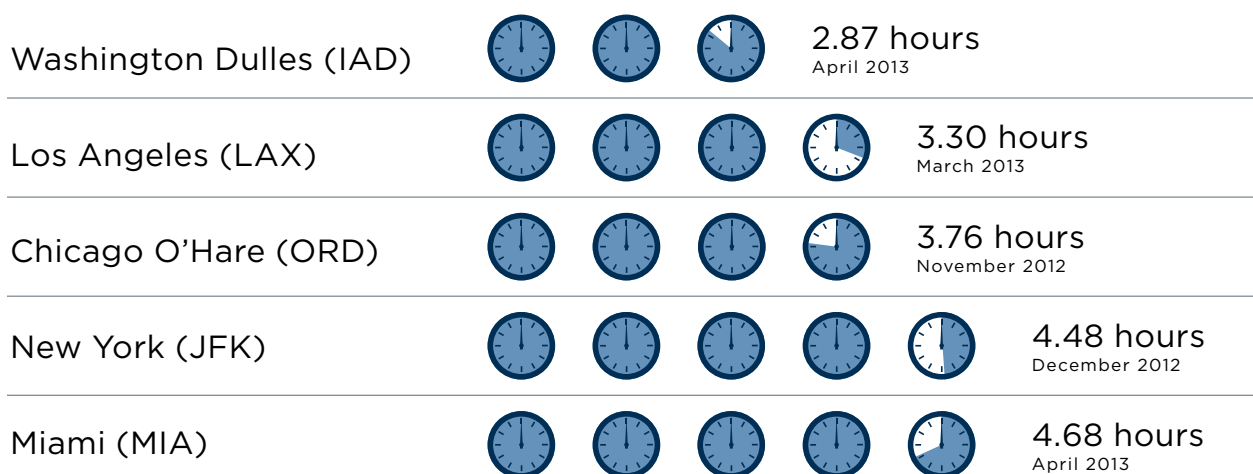
The third leg is a secure, efficient and welcoming **entry experience**. This is the next great challenge the U.S. must address in order to attract more visitors, boost our share of the international travel market and capture the economic gains of expanding travel.

But the hard fact is that the resources devoted to our current entry process are simply insufficient to handle the millions of additional travelers we are seeking to reach the goal of 100 million international visitors by 2021. Reaching this level translates into an additional 200,000 flights every year.[18] This means that by 2021 major U.S. airports must be prepared to handle millions of additional visitors, including 13.8 million more at New York's John F. Kennedy International Airport (JFK); 10.5 million more at MIA; and 9.6 million more at Los Angeles International Airport (LAX). With the system already stressed, we need a new urgency to prepare for this type of growth in international visitors. CBP should present plans to Congress defining what staffing levels and technology will be needed to process those volumes of passengers swiftly and securely.

Photo courtesy CBP. Photographer: Steve Sapp

FIGURE 2: Peak Wait Times at Major Gateway Airports

		Time	
Washington Dulles (IAD)	🕐🕐🕐	**2.87 hours**	April 2013
Los Angeles (LAX)	🕐🕐🕐🕐	**3.30 hours**	March 2013
Chicago O'Hare (ORD)	🕐🕐🕐🕐	**3.76 hours**	November 2012
New York (JFK)	🕐🕐🕐🕐🕐	**4.48 hours**	December 2012
Miami (MIA)	🕐🕐🕐🕐🕐	**4.68 hours**	April 2013

🕐 = One Hour

CBP Data Shows Entry Process Impacted by Delays

For this report, CBP provided the U.S. Travel Association with actual wait-time data at five major gateway airports: Chicago O'Hare (ORD), Washington Dulles (IAD), Miami (MIA), New York (JFK) and Los Angeles (LAX). (Data are aggregate and do not divide between U.S. and non-U.S. passengers; U.S. passengers are generally processed more quickly). We applaud CBP for its willingness to share this data, which makes it possible to calculate the impact that delays have on the U.S. economy. The data provided by CBP shows the monthly wait times at the five airports for the 12-month period from June 2012 to May 2013.[19] From this data, several conclusions become clear:

- Each month hundreds of thousands of international visitors to the U.S. wait longer than 30 minutes to be processed, and many wait an hour or much longer.

- For instance, in October 2012 at LAX, where the average wait time was reported to be 20 minutes, 177,359 passengers (29% of the total processed that month) waited longer than 30 minutes to complete the entry process.

- Over the full year for which data was provided, more than 40,000 passengers waited longer than two hours to be processed at MIA – and at JFK it was even worse, with more than 180,000 people enduring a two-hour wait time or greater.

- While the average wait times at the five airports were usually less than 30 minutes each month, maximum wait times range from 90 minutes to more than four hours.

- In ten out of the twelve months between June 2012 and May 2013, average wait times never dropped below 30 minutes at JFK.

The CBP data also show a slow but steady increase in the number of passengers using Global Entry, but Global Entry still accounts for a very limited number of total passengers.

THE U.S. ENTRY PROCESS AS SEEN BY INTERNATIONAL TRAVELERS

To measure the impact of these wait times and the current entry process from the traveler's perspective, earlier this year U.S. Travel commissioned a survey of 1,200 overseas travelers.[20]

The results make clear that the U.S. must improve the entry process:

- Fully 43 percent of overseas travelers who have visited our country say they will recommend **avoiding** a trip to the U.S. because of hassles involving the entry process.

- Among overseas business travelers, 44 percent say they will **not visit the U.S.** in the next five years because of our entry process.

- One in seven overseas visitors has **missed a connecting flight to a U.S. destination** because of delays in the entry process at their initial arrival airport.

- Almost two-thirds of those surveyed said that **getting rid of long lines and wait times** would make the U.S. a more attractive destination.

- Fully 84 percent of travelers believe the U.S. government **could fix the system**.

Despite impressive progress in the areas of travel promotion and visa processing, due to resource constraints the current entry process is hampering America's ability both to attract overseas visitors and to convince them to return.

The Benefits of Reform

Reforming the entry process would dramatically increase the number of international visitors to the U.S., according to our survey. Of course, a number of factors impact wait times on any given day, including scheduling, weather delays or a security incident. But if we could guarantee visitors that the entry process would take no more than 30 minutes, more than four in ten (42%) survey respondents who had never visited the U.S. said they would be more likely to plan a trip. Nearly half (45%) of those who have already visited reported that they would be more likely to plan another trip, with 24 percent planning more than one visit, and 29 percent recommending travel to the U.S. We estimate that about $3.5 billion in travelers' spending could be added to the U.S. economy in a year, if the primary (immigration) entry process did not exceed 30 minutes. This additional spending could support 24,000 travel industry jobs.[21] Reforming the entry process will help turn around a negative trend, generate more trips to the U.S. and support our nation's economy.

Missed Connections

Our survey found that one in seven travelers has missed a connecting flight because of delays in the entry process. If anything, our survey may understate the problem — at DFW, for instance, one major airline has estimated that 19 percent of its international arriving passengers miss a connection.[22]

CBP Passenger Survey

CBP also conducted a passenger survey in 2013,[23] which noted similar challenges but reported a higher level of satisfaction.

$3.5 billion = 24,000 travel jobs

= 1,000 Jobs

We estimate that about $3.5 billion in travelers' spending could be added to the U.S. economy in a year, if the primary (immigration) entry process did not exceed 30 minutes. This additional spending could support 24,000 travel industry jobs.

THE COST OF LONG WAITS AND LOST TRAVELERS — AND THE RETURN ON NEW INVESTMENTS

When international visitors are deterred from traveling to our country, it costs the U.S. economy revenue and jobs. International long-haul visitors spent an average of nearly $4,500 during a visit to the U.S.[24]— spending that generates economic growth and creates jobs. But this spending is diminished when visitors stand in line, waiting to complete the entry process.

What is the economic cost of delaying and deterring visitors?

$95 billion over 5 years

518,000 jobs

👤 = 10,000 Jobs

Based on CBP data that has been shared with U.S. Travel, we estimate that 30 percent of overseas passengers wait in CBP processing lines longer than 30 minutes. The cost of this delay amounts to $47 dollars per traveler.[25] Based on this data, we estimate that each year entry process delays cost the U.S. economy $416 million and 3,700 jobs directly supported by travel.[26]

But that opportunity cost only impacts those who actually traveled to the U.S. Beyond this, there is a second opportunity cost: Our survey of international travelers found that each year about 2.7 million travelers — about nine percent of potential trips — decide not to visit the U.S. each year due to negative perceptions of the U.S. entry process.

We estimate that these canceled trips cost our economy an additional $11.8 billion in spending and 82,100 jobs each year.

But even that is not the most damaging blow to our economy.

In 2012, the U.S. welcomed 29.8 million overseas travelers. Our survey found that 43 percent of these visitors will recommend **avoiding** a trip to the U.S. altogether because of hassles involving the entry process. Visitors will tell an average of eight other people about their travel experience. So, simple arithmetic means that roughly 100 million people are either experiencing an inefficient entry process themselves or being encouraged to avoid a trip to the U.S. because of it.

Add up the opportunity costs of standing in line instead of traveling, the trips that are canceled each year, and the negative traveler experience that is spread around the world and the impact is grave. By delaying and deterring visitors, U.S. Travel estimates the entry process could be costing the economy up to **$95 billion and 518,000 jobs** over the next five years.[27]

"When overseas travelers decide against visiting the United States or are unhappy with their experience during entry, the cost is not just to our reputation. It's an economic loss and, unfortunately, it has a ripple effect. Each of these travelers shares their experiences with eight other people, furthering the costs to our economy."

— **Roger Dow,** CEO, U.S. Travel Association

SLOW LINES SLOW DOWN THE U.S. ECONOMY

Lengthy wait times and delays in U.S. entry procedures at major gateway airports will cost the U.S. economy

$95 billion and 518,000 jobs over the next five years.

MAJOR GATEWAY CITIES

The following cities and their local economies are most affected due to their high volume of inbound international travelers.

SEATTLE
SAN FRANCISCO
LAS VEGAS
LOS ANGELES
DENVER
DALLAS/FORT WORTH
HOUSTON
CHICAGO
NEW YORK
PHILADELPHIA
WASHINGTON, D.C./BALTIMORE
ORLANDO
TAMPA
MIAMI

$12.2 BILLION DIRECT IMPACT ON THE U.S. ECONOMY

WHAT'S AT RISK?

Key segments of the economy stand to lose billions because of untaken trips to the U.S.

SHOPPING	LODGING	FOOD	TRANSPORTATION	ENTERTAINMENT
$3.3B	$3.1B	$2.5B	$1.7B	$1.6B

DIRECT IMPACT TO THE TRAVEL INDUSTRY INCLUDES TWO MAJOR TYPES OF COSTS:

WHILE TRAVELERS ARE WAITING IN SLOW LINES...

AVG. 55:00 MIN

$416 million

goes unspent in the U.S. economy

That's about $47 per traveler lost to canceled activities, cars, hotels, etc.

AND BECAUSE OF NEGATIVE PERCEPTIONS ABOUT THE ENTRY PROCESS...

$11.8 billion

is lost as 2.7 million travelers decide not to visit the U.S. each year

A loss equivalent to 9.2% of all overseas trips. (Excludes trips untaken due to difficulties with the visa application process.)

Estimates based on U.S. Travel's Overseas Traveler Survey, March 2013

Increasing CBP Staffing Drives Return on Investment

Research by the National Center for the Research and Economic Analysis of Terrorism Events (CREATE) at the University of Southern California confirms that adding CBP officers provides a return on investment far greater than the costs.[28] According to the study, adding just one officer at each airport studied, for instance, could reduce wait times 4.7 percent at ORD and more than nine percent at several terminals at LAX.

In fact, adding one new officer at each of the 33 ports of entry studied would boost GDP by $65.8 million, or about $2 million per new CBP officer – a far greater return than the basic costs of recruiting, training, salary, and benefits, which is approximately $108,000 per year.[29] This additional growth would generate 1,094 additional U.S. jobs, or 33 per new officer.[30]

Agency reforms can pay big dividends

CBP's **OneStop** program, begun at Houston's George Bush Intercontinental Airport (IAH) in 2010, permits passengers without checked baggage to be processed in one, not two, stops at CBP. By December 2012, CBP estimated that about 800,000 passengers had used the program, saving about 17 minutes in processing time per affected passenger.[31]

Express Connection is a similar program offering priority primary inspection lanes for passengers with very close connecting flights. It is now available at a number of major airports.[32]

Entry process delays undermine travel promotion

"It is common for states like Vermont to invite foreign journalists to visit our state and write stories about their experience in order to attract international visitors.

We recently had four journalists from the U.K. arrive at 10:00 p.m. in JFK on a flight that arrives every evening at that time. There was only one agent to process all of the international visitors arriving on various flights at that time; this resulted in a four-hour wait at primary inspection. As a result, the journalists didn't arrive to their hotel until after 3:00 a.m.

Imagine if you had to wait in a four-hour line to enter a country after arriving on a seven-hour flight. Would it leave you with a desire to return? We did all we could to show them a wonderful experience in Vermont, but the delays at CBP are likely to also be featured in the articles they write."[33]

— **Megan Smith,** Commissioner, Vermont Department of Tourism & Marketing, in testimony before the Senate Judiciary Committee, April 2013

Beyond the Gateway

Research by Adie Tomer of the Brookings Institution demonstrates the importance of gateway airports to international travel. "Just 17 metropolitan gateways captured 73 percent of all international passengers starting or ending their trip in the United States as well as 97 percent of all international transfer passengers."[34] But Tomer's research shows that the economic impact emphatically does not end there.

More than one in every four international passengers travels on to another destination beyond the gateway airport. For example, nearly 100,000 international passengers who arrive in Chicago connect on to Kansas City. Therefore, a problem with the CBP entry process in Chicago is not just Chicago's problem — it's also Kansas City's problem.

As Tomer writes, "the fate of metro areas with growing international travel but with limited direct international connections — such as Omaha and Salt Lake City — currently ties inextricably to airport expansion in metros such as Atlanta or operational adjustments in Philadelphia or similar metros."[35]
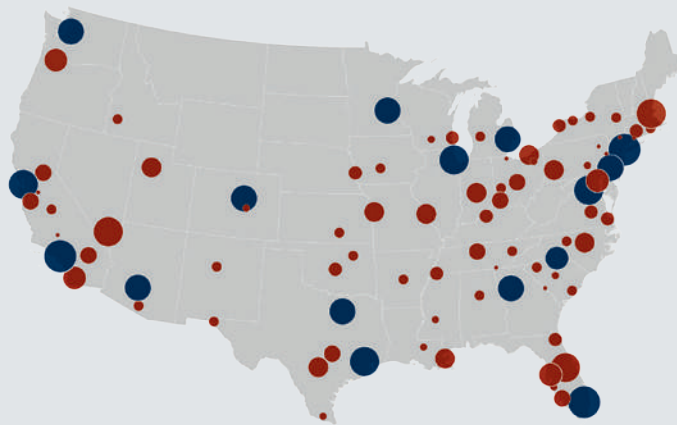
SOURCE: The Brookings Institution

"We have to fix the entry process or America is going to continue to lose global business. Conventions, trade shows, and tourists can go elsewhere — and they will. It's just that simple. As major destinations add new flights, smooth entry operations and greater efficiency in the Customs' entry process are an essential part of our marketing effort."

— **Greg Ortale,** CEO, Houston Convention and Visitors Bureau

A National Problem

It would be a mistake to think that the entry process is an issue merely for U.S. airlines and international airports or even for the employees of CBP and the visitors who wait in lines. Rather, the direct and indirect economic impacts extend far beyond gateway airports and their associated cities literally across the country to virtually every sector of the economy. Delays in the entry process, long wait times and missed connections cost both local communities and the private sector income and the tax revenues generated from that income.

A Growing Political Consensus to Increase CBP Resources

There is a growing consensus not only within CBP but also across the political spectrum that CBP needs more resources. President Obama's Fiscal Year (FY) 2014 budget, both the House of Representatives' and Senate's versions of the FY 2014 Homeland Security Appropriations bill, and the Senate's comprehensive immigration bill all recognize the need for significant increases in CBP staffing and recommend major increases in the number of CBP officers.

In April 2013, CBP released its Workload Staffing Model, designed to identify the number of CBP officers necessary to meet operational demands. The model

revealed the need to increase significantly the number of CBP officers to meet current and future needs, including the reduction of passenger wait times.

In testimony before the House Homeland Security Appropriations Subcommittee in April 2013, Acting Deputy Commissioner Kevin McAleenan described the significant impact staffing increases would have on CBP operations:

"The increase in [CBP officers] will enhance CBP's ability to facilitate processing of legitimate travelers and cargo, reduce wait times, and increase seizures of illegal items (guns, drugs, currency, and counterfeit goods). These new officers will also help the economy and lead to new jobs."[36]

The President's budget for FY 2014 requested 3,477 new officers for air, land and sea ports of entry;[37] the Senate immigration proposal provides for an increase of 3,500.[38] These additional officers would represent a strong step in the right direction; although, it remains unclear how many of those officers would be dedicated to gateway airports. We urge Congress to dedicate a significant number of those officers to gateway airports, to begin meeting the country's goal of welcoming 100 million international travelers by 2021.

"Airports are already experiencing delays due to inadequate staffing of Customs and Border Protection officers. At the same time, it's important that we process those visiting the country in a timely and secure manner."[39]

— **Senator Dean Heller** (R-NV)

"Increasing the number of international visitors to the United States has a direct economic impact, including job creation… The Committee shares the frustration resulting from long lines of people and goods waiting to be processed at our ports of entry. It is important that all CBP officers recognize the role they play as travel facilitators in addition to security officials. CBP, and the U.S. Government in general, need to do more to emphasize encouraging repeat visitors to the United States, as this will assist in growing jobs and the economy. Creating a welcome first impression for visitors is the first step in this process."[40]

— **Senator Mary Landrieu** (D-LA), Chairwoman,
   Senate Homeland Security Appropriations Subcommittee

BARRIERS TO OVERCOME: WORKING TOWARD A SOLUTION

To understand the extent of the problem and to develop solutions, the first step is to make public the actual wait times that international visitors endure when going through the CBP entry process. A pilot program underway at CBP is an important step for all stakeholders — CBP, airports, airlines, and travelers — to reach common ground on the extent of the problem and work towards solutions.

Wait-Time Data Not Publicly Available; Needs Consistent Coordination

To understand the extent of the problem and to develop solutions, the first step is to make public the actual wait times that international visitors endure when going through the CBP entry process. Currently, CBP releases airport wait times measured historically and on a "seasonal monthly average,"[41] but because they are averages, these figures do not reflect the actual wait time experienced by an individual international passenger on the day of his/her arrival.

CBP is currently taking a step in the right direction through a pilot program with five major gateway airports (ORD, DFW, LAX, JFK and IAD). Through this program, CBP provides airports and airlines actual wait-time data from the previous day, to assist them with their planning.

The next steps would be to make this program permanent and to expand it to all international airports, as CBP has indicated it intends to do.

Releasing accurate, meaningful information to airports, airlines and the public would help measure progress in achieving a better entry process and spur further reforms. It would also help airlines understand the nature of the problem and be in a better position to plan their schedules for connecting flights. And it would help ensure that the travel industry and CBP have a common understanding of wait times.

Photo courtesy CBP Photographer Steve Sapp

A Visitor Reports

Following a nine-hour international flight, an arriving passenger at Orlando International Airport noted that there were only three CBP booths staffed:

"We were arriving to add much needed imported revenue into the Florida economy and this first impression was the lasting impression before we actually arrived into your country. …. A wait of two and-a-half hours at this stage is not good for USA relations with passengers who have already [had] stringent checks. … I feel that I must bring it to the attention of senior management to organize their staff more efficiently at target times."[42]

Matching Staffing to Passenger Volumes

In today's system, CBP staffing is insufficient and simply not matched with arriving passenger traffic. DFW International Terminal D has 60 customs entry processing booths, a number that was designed to accommodate anticipated passenger demand at the terminal. A DFW official recently stated: "if 26–27 of those booths are manned during peak times, I'm lucky. In fact, I've walled off 10 booths because it frustrated people to see so many empty booths while they waited in line."[43]

This problem will grow as the number of international arrivals increases. CBP has experienced a 12 percent growth in international arrivals over the past three years and expects that trend to continue. Gateway airports have experienced far higher increase in passenger levels during the same period: JFK and LAX 14 percent, MIA 20 percent, IAH 21 percent, DFW 22 percent and McCarran International Airport, Las Vegas (LAS), an astounding 67 percent.[44] At DFW, international destinations are expected to grow from 52 to 75 over the next five years, leading to even further passenger growth.[45]

Given this growth, airports and airlines need to have a deeper partnership with CBP and coordinate CBP staffing plans and other requirements to effectively serve arriving passengers. CBP has taken an important step in its new Workload Staffing Model towards achieving the actual numbers of CBP officers necessary to process 100 million international visitors, but airlines, airports and passengers all need a sense of how the model will affect actual waiting times. In particular, how will the model permit staffing to be matched, on a daily basis, with actual arriving air traffic? A well-working staffing model designed to meet our national goal of 100 million international visitors will need to be sufficiently flexible and robust to accommodate the actual flows of passengers at airports, serving passengers as their aircraft arrive, and to meet the goal of processing all passengers in 30 minutes or less.

Lack of Staff

The problems with the entry process are due not to a lack of will or skill but to a lack of staffing resources. CBP simply does not have the resources to handle the tasks given to it today, nor the ability to meet travel demand in the future.

At Orlando International Airport, for instance, on-plane holds of passengers on flights from Europe are becoming increasingly common because of CBP staffing shortages. CBP staffing levels also affects granting approval for international flights. Just one daily flight from Orlando to São Paulo, Brazil generates an annual economic impact of $150 million, and yet that flight was imperiled because of CBP staffing shortages.[46]

Lack of Staffing Flexibility

The CBP also lacks necessary **flexibility** in staffing and in funding mechanisms to efficiently process passengers. Too often, institutional rules and barriers prevent CBP from focusing on its main job. It makes little sense to have highly trained, professional CBP officers doing administrative tasks when lines are long and booths unstaffed, to the bafflement of arriving passengers.

Consider LAX. Because of Los Angeles' role as a global hub, international flights from five continents arrive at several different terminals at various times of the day, requiring CBP officers to move between terminals. But the lack of staffing flexibility exacerbates CBP staffing shortages, making it even more difficult for CBP to address the challenges that arise in managing a complex schedule of arrivals. CBP should work with airports, airlines and the CBP workforce so that airports can continue to expand their international profiles, including the opening of a new international terminal at LAX.[47]
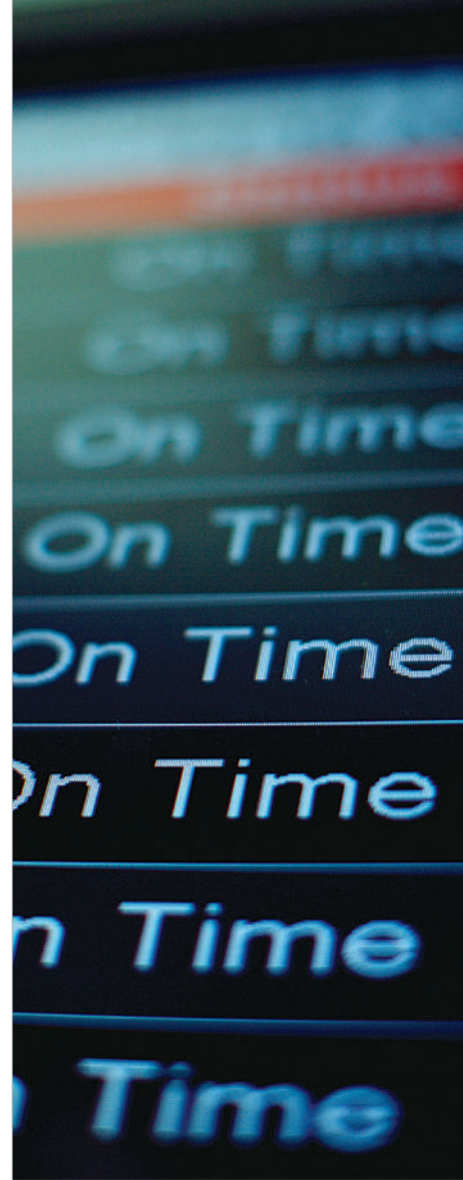
Impact of CBP Staff Shortages in Miami

One representative of a major American airline recently gave measurements of the wait times at MIA on the morning of March 12, 2013, as overnight flights arrived from Latin America on a day when CBP was limiting overtime. The 72 inspection stations available that morning at Miami's Terminal D are capable of processing about 3,600 passengers per hour. At 4:30 a.m., officers were on duty at 14 stations; at 5:30 a.m., it declined to 11, but two more stations were staffed by 7:00 a.m. — as the facility was now wall-to-wall with incoming passengers.

By 9:00 a.m., 156 passengers had already missed connecting flights, yet only eight stations were staffed. At 9:30 a.m., as the regular U.S. workday began, but long after many flights had already arrived from a commercially growing and important region of the world, 33 staffers were on duty.[48]

Delayed in Dallas/Fort Worth

At some airports, the problem at times extends beyond the processing of international visitors to the lines processing U.S. citizens as well. A reporter for the *Dallas Morning News* recently wrote of his experience clearing the entry process at DFW:

"The line for U.S. passport control had gotten so long that it had actually pushed out beyond the confines of its own cavernous hall and into a distant hallway halfway to Fort Worth. … As we got closer, the problem became evident. For the hundreds lined up in the U.S. residents line, there were less than ten Homeland Security officers manning the desks (things looked ever grimmer in the line for foreign citizens)."[49]

Lack of CBP Resources Deters New International Routes

CBP's resource problems have become so great that rather than market forces and passenger demand determining where and when international flights will arrive, CBP staffing issues are forcing the decisions for some airports. Every new international long-haul route has tremendous benefits for local economies but also increases workloads on CBP, especially if the flight arrives a peak demand period or outside of existing CBP schedules.

In the fall of 2012, CBP denied landing rights at preferred times at IAD to two important international carriers simply because the agency did not believe it had the ability to process arriving passengers at those times. The flights were later approved at slightly less favorable times.[50]

Ontario International Airport in San Bernadino County, California, now receives one international flight and is competing to win more international air service. However, an insufficient number of CBP officers means any new flights must arrive near the time of the current international flight, when CBP officers are already on hand. This has forced the airport to decline several new opportunities for international service.[51]

The story is similar in Phoenix. Currently, Phoenix Sky Harbor International Airport (PHX) can receive international flights only during pre-established hours for CBP operations, which end there at 10:00 p.m. Aeroméxico has received at least three denials of service for requests to bring in flights after normal hours since 2008, and the airline saw a nearly 68 percent decline in passenger activity from 2008 to 2011 at PHX, as it has realigned its routes to accommodate the CBP situation. One U.S. carrier was also denied an additional round-trip flight to Guadalajara, Mexico.[52]

Unfortunately, these problems are not new. In a 2008 Federal advisory committee report, a cross-section of industry and think-tank experts noted that:

CBP staffing shortages result not only in long wait times during peak periods but also in airlines not being able to schedule flights they would have otherwise operated during off-peak, early morning, or late evening hours. New flights cannot be initiated or added if CBP officers are not available to accommodate the passengers. Insufficient CBP staffing undermines the U.S. international policy goal of expanding air service and the economic growth that comes with it. Open Skies air liberalization agreements can "open" skies only when there are CBP officers available upon landing.[53]

Even airports that do not currently face entry process challenges are looking toward the future. Today, international passengers only account for 2.5 percent of total traffic at Tampa International Airport (TPA), but that figure is growing by 20 percent each year. Rather than lose passenger volume to other airports in Florida, Tampa is trying to expand its international service offerings. To date, CBP has accommodated this growing traffic, but only because volume growth occurred in the same time slots. As TPA's international service grows, it may face issues similar to other airports.

Popular Global Entry Program Should Be Expanded

CBP's Global Entry program provides welcome news and ample proof that technology can improve the CBP entry process. Since the program was established in 2008, Global Entry permits returning U.S. citizens and visitors from Mexico, Canada, the Netherlands and South Korea, and in limited pilot programs for the United Kingdom, Germany and Qatar, to use a kiosk to enter the U.S.

Global Entry is open to trusted travelers who have passed a background check, including biographic and biometric security reviews. The system is updated every 24 hours to ensure that no negative information has been added to a traveler's file that would make the traveler ineligible for Global Entry. Global Entry kiosks are now available at all 20 airports participating in CBP's Model Ports Program and 44 airports in total.[54]

By July 2013, CBP reported that Global Entry members had used Global Entry kiosks more than 5.4 million times,[55] reducing traveler wait times by 70 percent and saving CBP officers more than 50,000 inspection hours, allowing them to focus resources on individuals of unknown or high-risk status.

In short, the only downside to Global Entry is that too few travelers are currently enrolled in this extremely popular program. While 1.7 million people had Global Entry benefits in July 2013, that is just a fraction of travelers eligible to enroll in the program.[56] Examination of the enrollment process and the current makeup of the Global Entry population revealed four primary barriers to the program's growth:

5.4 million
uses of
Global Entry
Kiosks

reducing wait times by
70%

saving more than
50,000
inspection hours

- **Limited Enrollment Locations:** The limited number of interview locations results in few options for potential enrollees and acts as a deterrent to interested individuals lacking access to a convenient enrollment location.

- **Interview Wait Times:** Interview wait times at some locations have increased dramatically, as the program increased in popularity and established a partnership with the Transportation Security Administration for domestic travel benefits (TSA Pre✓™).[57]

- **Lack of Bilateral Agreements:** Shortly after the launch of Global Entry in 2008, CBP partnered with the Netherlands, allowing for cross-enrollment between U.S. Global Entry members and Dutch Privium travelers. Despite the long partnership, there are fewer than 2,500 Dutch citizens enrolled for Global Entry. Other than Canadians with Global Entry privileges through the bilateral NEXUS program, the total number of foreign enrollees is around 35,000. With some foreign governments balking at our program criteria, CBP has full or pilot agreements with only seven countries despite constant efforts and ongoing negotiations with key international travel markets.

- **Marketing Challenges:** Lastly, the program lacks a cohesive and aggressive marketing program. Despite Global Entry's success and popularity among users, reaching additional travelers depends heavily on CBP's ability to market the program to potential enrollees.

Enhanced Deployment of Technology

While Global Entry is off to a good start, CBP will need increasingly to look to technology to ensure both quick, efficient processing and a high level of security. As one leading CBP official said in Congressional testimony last year, "Modern facilities must address our constantly evolving border functions, increasing traffic volumes and staffing levels, and new and updated technologies and equipment."[58] Therefore, even more bold use of technology should be pursued.

Automated Passport Control

Implementing paperless processing through the Automated Passport Control (APC) system, as ORD has in July 2013,[59] is already helping speed passengers through the entry process. According to Chicago Department of Aviation Commissioner Rosemarie S. Andolino, Chicago decided to join the program because "it seemed like a logical fit at O'Hare to address the challenges we were experiencing with customs processing." With the APC system in use, Chicago has experienced improved wait times, with 60 percent of total arriving passengers clearing immigration in fewer than 15 minutes, and 85 percent of passengers cleared in fewer than 30 minutes. Dallas/Fort Worth, Houston and Orlando will implement similar systems soon as well. More airports are considering joining the program.

Examples from Our Global Competitors

While each country operates its own immigration laws and determines its own requirements for entry, some of CBP's international counterparts – our global competitors for travel dollars – are moving quickly to get international travelers processed in a quick, efficient, and welcoming manner.

In **Australia**, the government's Customs and Border Protection Service (CBPS) uses a "SmartGate" kiosk to process any travelers, not just trusted travelers, from Australia and New Zealand, as long as they have an e-passport, with no need for special registration or interview. SmartGate is based on facial recognition technology and in essence performs the same function of passport matching as would be done by a Customs officer.[60] Importantly, Australia has now embarked on a trial program under which U.S. Global Entry Program members (who by definition hold e-passports) may be eligible to use SmartGate to enter Australia.[61] Programs such as SmartGate are the future of border control – particularly for countries that expect to grow their international travel markets. As Australia's CBPS explains: "SmartGate allows Customs and Border Protection to streamline the passenger clearance process and securely process more travelers, while maintaining the existing standards of border protection.[62]

In **France**, PARAFE[63] is the system of automated border control. Launched in November 2009 and open to holders of French and other EU biometric passports and to family members of EU citizens, the system uses an airlock gate, based on a placing a biometric passport in the machine and then verifying identity with a fingerprint, permitting passengers to cross the border in about 20 seconds. There are now 27 airlock gates at the airports of Paris, in both the departure and arrival areas, and the system is now being extended to regional airports. When the program began, travelers had to register separately for it; PARAFE has now been opened to all holders of French biometric passports without a special registration (other EU citizens must still submit a registration which is valid for five years).

A similar system, enhanced Immigration Automated Clearance System (eIACS)[64] has been used in **Singapore** since 2006. It is open to Singaporean citizens and permanent residents as well as certain others.

AUSTRALIA:
"SmartGate" kiosks
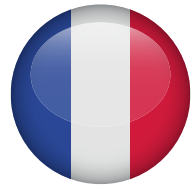
FRANCE:
PARAFE

SINGAPORE:
Immigration Automated Clearance System (eIACS)

Cruise Ship Passengers & the CBP Entry Process

Cruising is big business. The cruise line industry accounted for more than $42 billion in U.S. economic activity in 2012, supporting more than 356,000 jobs and paying $17.4 billion in wages to American workers.[65]

Cruise ship passengers, though, often face similar problems as airline passengers in clearing Customs. Imagine a large cruise ship with several thousand passengers docking at a U.S. port for a brief stay, only to be faced with multihour waits to process passengers who may only spend a few hours at most on U.S. territory. It is not surprising, therefore, that some cruise lines are reluctant to schedule stops in the U.S. if the cruises are not beginning or ending at a U.S. port of entry. If CBP cannot process passengers quickly enough, it will not be an enjoyable port of call.

Some incidents have been well publicized and have negatively affected the American brand abroad. In Los Angeles in 2011, passengers on a multicountry cruise, mostly British, were subjected to full CBP screenings and up to seven hours of waiting despite the fact that the passengers had completed Electronic System for Travel Authorization forms for multiple entries to the U.S., and Los Angeles was the tenth American port of call on the cruise.[66]

There has been some progress as CBP increasingly understands the value and efficiency of working with the cruise industry. For "closed-loop" cruises that begin and end in the same U.S. port, CBP generally performs modified screenings for U.S. passengers, who typically form the majority on these cruises. This plan permits CBP to target its resources on foreign visitors, making lines shorter for everyone.

CBP and the cruise industry should continue to work more closely together. One important area concerns prereview of passenger manifests while ships are at sea. In contrast to an international flight, in which CBP has only a few hours to review a manifest, for cruises, CBP may have the manifest up to a week in advance. Cruise lines have on-board systems to ensure that the manifests are accurate. CBP should consider using the time to review the manifest and identify passengers for any special screening necessary, even doing this screening separately on-board ship while the other passengers disembark.

In countries where CBP officers are already stationed, such as the Bahamas, CBP should negotiate agreements for preclearance of cruise passengers proceeding directly to the U.S.

Technology, too, will form part of the solution with additional Global Entry kiosks deployed at sea ports and a more automated passenger terminal. Still, the greatest need is for more CBP officers to be assigned to process passengers at arrival times.

A SOLVABLE CHALLENGE: POLICY RECOMMENDATIONS

Many of the challenges presented by today's entry process are solvable. Public and private stakeholders should work together to make the entire process, from the landing of a plane to departing the federal customs area, operate as smoothly as possible.

With respect to the U.S. government, we recommend a comprehensive set of 20 reforms that will improve CBP's ability to process passengers efficiently, while meeting every security need. These reforms are aimed toward a single goal: Ensure that no international traveler is deterred from visiting the United States by unacceptable delays in our nation's entry process.

1 **Reduce peak wait times by 50 percent and process each traveler within 30 minutes.**

While recognizing that each airport has unique circumstances and that various factors play into the causes of delays, Congress and CBP should work to reduce peak wait times by 50 percent from current levels to achieve a national goal of processing each passenger arriving at gateway airports within 30 minutes, barring emergency circumstances. The Senate immigration bill (S. 744) directs the Department of Homeland Security to dedicate new CBP officers to airports to reduce wait times by 50 percent and establishes a wait time goal of processing 80 percent of passengers within 30 minutes and 100 percent within 45 minutes.

2 **Address CBP officer shortage.**

Congress should provide CBP with the officers necessary to carry out its mission. In the short term, Congress should provide appropriated funding needed to help CBP overcome this shortage, including hiring at least 3,500 new CBP officers. The Senate immigration bill (S. 744) strives to meet the same goal through increases in user fees. These officers should be allocated at U.S. air ports of entry in order to meet a 30-minute per passenger wait time goal and at land and sea ports of entry based on CBP's Workload Staffing Model. The investment in new officers will be far offset by economic growth and new tax revenue from additional international travel to the U.S.

3 **Enhance staffing flexibility to encourage creative solutions.**

CBP should be required to hire part-time employees, including retired CBP officers and Transportation Security Administration officers, for administrative duties currently performed by full-time CBP officers. This staffing enhancement would free up more CBP officers for processing travelers and generate significant cost savings over time, given the substantial costs of hiring and training full-time officers.

4 **Implement Automated Passport Control.**

Airports should continue to work with CBP to rapidly implement its new Automated Passport Control (APC), which is similar to Canada's Automated Border Clearance program and allows travelers to complete much of the immigration and customs process before proceeding to a CBP officer. This type of program would maximize CBP's staffing resources by focusing officer time spent with each passenger on security checks rather than paperwork collection. In addition, CBP should be permitted to enter into agreements to reimburse airports for the purchase and installation of kiosks and related communications infrastructure for the program.

5 **Advance new technologies.**

CBP should work in coordination with the Science and Technology Directorate of the Department of Homeland Security to identify and report to Congress on new technologies and procedures that can more effectively process inbound international passengers while strengthening security. The report should include a detailed analysis of innovative technologies and potential uses to improve travel facilitation.

6 **Develop and implement international best practices.**

CBP should continue to research other technological solutions, including those being developed or used in other countries, to enhance automation in the entry process.

7 **Expand the Global Entry program.**

Increasing the number of Global Entry participants will increase security and facilitation at our nation's gateway airports. Wherever possible, Global Entry should be coordinated with similar trusted traveler programs of other countries to ensure that as many trusted travelers are included in the system as possible. In addition, international travel leaders should make it a priority to work with their governments to expand bilateral Global Entry agreements, including growing the very small pilot programs currently in operation in the United Kingdom, Germany, South Korea and Qatar into full-fledged enrollment opportunities for all frequent travelers. In order to accurately track progress and international cooperation, Congress should require CBP to submit semiannual reports on the status of international trusted traveler negotiations.

In addition, moving additional returning U.S. travelers into a 'trusted' status will continue to free up CBP officer time to process inbound foreign travelers who may not be eligible for Global Entry or may be only occasional or one-time visitors to the U.S. To increase enrollment among U.S. citizens, several further reforms described below would be helpful.

8 **Permit reimbursement for Global Entry.**

Congress should permit CBP to accept reimbursement from all third parties for the costs of conducting enrollment in Global Entry and deployment of appropriate equipment. Many companies, trade associations and conferences now offer to manage Global Entry applications for their employees or attendees. Some travel companies include Global Entry as part of their consumer offerings, and we encourage more to do so. However, CBP must still devote officer time to travel to a location outside a port of entry to conduct the interviews. Allowing private-sector entities to reimburse CBP for the cost of the officer time should make it easier for CBP to partner with the private sector to drive enrollment without impacting front-line staffing at our ports of entry.

9 **Require State and DHS to coordinate on key programs.**

The Departments of State and Homeland Security should coordinate visa and Global Entry application processes for eligible foreign travelers. While only currently available to a limited number of countries, this coordination would provide facilitation benefits to travelers and increase efficiency for the two U.S. agencies.

10 **Enable Global Entry enrollment during passport renewal.**

The passport renewal process provides another opportunity to expand the number of travelers eligible for Global Entry. The Departments of State and Homeland Security should coordinate the passport renewal and Global Entry enrollment processes for eligible U.S. citizens. This coordination would promote Global Entry, target individuals most likely to utilize the program and streamline the enrollment process.

11   **Improve airport coordination.**

CBP should be required to coordinate staffing with airports and airlines to meet daily demand and limit wait times. Staffing should be based on airports' and travelers' needs rather than work rules or the demands of administrative work.

12   **Partner with the private sector.**

CBP should continue to work with the private sector to develop advanced queue management techniques. CBP should also have authority to accept in-kind contributions for the improvement of customer service, such as privately produced videos greeting visitors to the U.S. or interpreters that are available to answer any questions international travelers might have.

13   **Publicly post wait-time data.**

Just as the State Department posts all visa interview wait times, good or bad, on consular office websites, CBP should provide similar transparency and share actual passenger wait-time data with both the private sector and passengers.

14   **Report progress to Congress.**

Congress should require CBP to submit an annual report detailing accurate, automated and port-specific monthly wait times per passenger. These reports would include data on averages and peaks, current staffing allocations at each port of entry, and strategic plans to meet the projected increase in travelers.

15   **Reinvest all ESTA fees.**

Fees that are generated through the Electronic System for Travel Authorization (ESTA) and the Corporation of Travel Promotion (doing business as Brand USA) can help relieve the financial pressure on CBP. Excess fees not dedicated either to CBP for the ESTA program or to Brand USA, estimated to be around $28 million in FY 2013, should be deposited in a new CBP Travel Facilitation Account to be used at airports serving as ports of entry into the U.S. Additionally, as proposed in the Senate's immigration bill, Congress should make the authorizations for the ESTA fee and Brand USA permanent to ensure CBP will continue to receive the excess fees in future years.

16   **Rationalize fee collections.**

CBP collects three separate user fees that currently aggregate to $17.50 for Customs, Immigration and Agricultural inspection services per arriving international airline passenger. Congress should consolidate the existing immigration, customs and agriculture fees collected by CBP on inbound air and sea passengers into one fee with appropriate distribution to the Department of Agriculture and CBP. This reform would reduce CBP's collection costs and allow a higher percentage of fees to be utilized for actual screening operations.

17 **Increase transparency.**

Congress should also require CBP to issue a public report on its current fee collection process, administrative costs associated with the process, and the current allocation of the funds between air, land and sea ports of entry. According to CBP, inspection services at airports are not fully covered by the user fees that air passengers pay. But the fees are set by Congress and do not change based on passenger screening demands.

18 **Provide CBP with access to recently increased fees paid by North American visitors.**

In addition, as CBP's budget continues to tighten, Congress must ensure the agency has access to all funds collected through its Customs User Fee. The elimination of the fee exemption from Canadian, Mexican and Caribbean travelers, included in the U.S.-Colombia Free Trade Agreement (FTA) in 2011, is estimated to generate an additional $110 million per year in revenues for CBP. However, this money is not available for use by CBP, as the exemption was drafted as a budgetary offset for the FTA. As proposed in the Senate's FY 2014 Homeland Security appropriations bill, that provision should be repealed and the money restored to CBP for field office operations.

19 **Reinvest passenger fees paid by travelers but not spent by CBP.**

The Government Accountability Office (GAO) has discovered that CBP is holding approximately $640 million in excess fee collections from the period of 1994–1997 that were never reinvested in agency staffing that could be spent without requiring a budgetary offset. These fees were collected during the NAFTA implementation period from international travelers, deposited in the Customs User Fee Account, and never spent by CBP or its predecessor agencies. The GAO has concluded that these funds can be spent without impacting CBP's broader budget picture or requiring Congressional action. Some or all of these funds should be released immediately by OMB and CBP to hire additional officers in the air environment.

20 **Enhance DHS oversight of customer service and increase customer service transparency.**

Congress should require DHS to collect and analyze traveler feedback across all component agencies. This would reduce agency costs, enhance accountability, and increase efficiency through the consolidation of customer service efforts and the development of department wide best practices for implementation across all agencies. CBP should also be required to consider customer service during officer evaluations. Congress should require CBP to report traveler feedback to the Department of Transportation (DOT) for publication in its monthly Air Travel Consumer Report. The information should include traveler feedback acquired through comment cards, CBP's website, and the CBP INFO Center. Additionally, the information should be provided to and published by DOT broken down by location and the specific type of complaint. In order to ensure travelers have adequate opportunities to submit feedback, CBP should increase the availability of comment cards, enhance signage promoting online submissions, and provide the INFO center with sufficient staff to limit caller wait times to no more than 10 minutes.

APPENDIX: METHODOLOGY

Overseas Traveler Survey Methodology

Consensus Research Group conducted the multi-country online survey among a total sample of 1,200 overseas travelers. Respondents in the United Kingdom, France, Germany, Japan, China and Brazil were qualified on the basis of having traveled outside their countries during the past five years. Survey questionnaires were translated from the original English, with tabulation and analysis completed in the United States during the period February 18–March 1, 2013. Two hundred interviews were completed in each country, with samples weighted proportionate to each country's volume of visitors to the United States during the period January through October 2012.

Methodology of Estimating $95 billion Output and 518,000 Jobs

The measurements include direct, indirect and induced impact of the "spillover" effect caused by customs and entry delays at prominent U.S. international airports. The direct impact estimates are derived based on 2013 survey data of overseas travelers in six of the leading inbound travel markets to the United States. The indirect and induced impact estimates are calculated by applying the multiplier data derived through the IMPLAN modeling system. Additional methodology details are available at: **http://www.ustravel.org/sites/default/files/3.26.13_Survey_Factsheet_FINAL2.pdf**

Methodology of Estimating the Impact of CBP Waiting Time and Hassles

The direct economic impact on the U.S. economy from CBP wait times and hassles in U.S. entry procedure includes two major types of costs.

Opportunity Cost of CBP Wait Times

First, U.S. Travel Association measured the cost to the U.S. economy from the perspective of the opportunity cost of CBP wait times greater than 30 minutes. The numbers reflect CBP data from five major gateway airports which account for about 46 percent of total overseas arrivals to the United States. According to U.S. Travel estimates, based on this data, about 30 percent of international visitors waited more than 30 minutes. On average, this extra delay was 25 additional minutes. The opportunity cost of this delay, therefore, is the cost of time waiting in line the extra 25 minutes instead of traveling in the U.S. We calculate this cost based on the historical spending patterns of international visitors. This cost includes missed spending on activities such as lodging, car rentals, previously booked activities canceled as a result of missed connecting flights and other changes in travel plans. The estimate is based on U.S. Travel's 2013 survey of overseas travelers, described above and the historical spending patterns of overseas visitors.

Trip Cancelation Cost of Overseas Trips to the U.S. Due to Negative Perceptions of the U.S. Entry Procedure — Excluding Visa Application Process

Based on its 2013 survey of overseas travelers, U.S. Travel estimates that about 9.2 percent of trips to the United States are canceled annually because of negative perceptions of the U.S. entry procedure. This equates to 2.7 million fewer overseas trips to the U.S. By applying the average spending of overseas travelers to the U.S. to the trips avoided, a direct cost of $11.8 billion is estimated. The average spending is calculated based on U.S. Department of Commerce data. This estimate includes trips avoided by both those who have and have not previously visited the United States.

The Positive Economic Impact of Reducing CBP Wait Time to 30 Minutes or Less

The estimate of the economic impact of reducing CBP wait time to 30 minutes or less is calculated based on U.S. Travel's 2013 survey of overseas travelers, which provided the proportion of additional trips that would be taken in the near future if a wait time of 30 minutes or less could be guaranteed. The Department of Commerce data on overseas visitors' travel characteristics is also used in the calculation.

ENDNOTES

1   "Administration Officials Announce National Strategy to Increase Travel and Tourism in the United States to 100 million Visitors Annually by 2021," May 10, 2012, *http://www.whitehouse.gov/the-press-office/2012/05/10/administration-officials-announce-national-strategy-increase-travel-and-*

2   U.S. Travel Association based on Oxford Economics data.

3   U.S. Travel Association; Oxford Economics.

4   Ibid.

5   Ibid.

6   "The Lost Decade," U.S. Travel Association, 2009; updated to include 2012 data.

7   Average overseas visitors to the U.S. spend $4,400 per visit. U.S. Travel Association, based on U.S. Department of Commerce data.

8   U.S. Department of Commerce.

9   U.S. Travel Association.

10 "Los Angeles Unveils New Tourism Industry Plans," May 9, 2013, *http://www.etravelblackboard.com/article/143068/los-angeles-unveils-new-tourism-industry-plans*

11 Written testimony of Secretary of Homeland Security Janet Napolitano for a Senate Committee on Appropriations hearing titled "The Impacts of Sequestration," February 14, 2013, *http://www.appropriations.senate.gov/ht-full.cfm?method=hearings.view&id=17d3dc99-c065-4bec-a7c8-cfd374bf41a3*

12 Remarks at Walt Disney World Resort in Lake Buena Vista, Florida, *http://www.gpo.gov/fdsys/pkg/DCPD-201200034/pdf/DCPD-201200034.pdf.* Executive Order 13597—Establishing Visa and Foreign Visitor Processing Goals and the Task Force on Travel and Competitiveness is available at *http://www.gpo.gov/fdsys/pkg/DCPD-201200033/pdf/DCPD-201200033.pdf.* For further information, see "We Can't Wait: President Obama Takes Actions to Increase Travel and Tourism in the United States," January 19, 2012, *http://www.whitehouse.gov/the-press-office/2012/01/19/we-can-t-wait-president-obama-takes-actions-increase-travel-and-tourism-.*

13 Information provided to U.S. Travel Association by Dallas/Fort Worth International Airport executives, March 2013.

14 Ibid.

15 Miami International Airport, U.S. and Worldwide Airport Rankings, Passengers and Freight 2011 *http://www.miami-airport.com/pdfdoc/airport_rankings.pdf* (June 2012).

16 From 2007-2012, based on data from the U.S. Department of Transportation's Bureau of Transportation Statistics.

17 Brand USA, *http://www.thebrandusa.com/*

18 Compared to number of international flights in 2011, U.S. Travel Association.

19 CBP calculates wait times beginning upon the arrival of the aircraft ("block time") and ending when the passenger clears primary inspection. "Walk time" from the gate to the CBP primary inspection point, determined for each facility, is subtracted from the wait time calculation.

20 Survey methodology, *http://www.ustravel.org/sites/default/files/3.26.13_ExecSummaryFINAL2.pdf.*

21 This estimate assumes that the majority of these trips would be taken in the next five years. U.S. Travel Association, based on U.S. Department of Commerce data.

22 Information provided to U.S. Travel Association by Dallas/Fort Worth International Airport executives, March 2013.

23 "Survey Shows Traveler Satisfaction at CBP's Top 20 Airports," CBP, April 9, 2013. *http://cbp.gov/xp/cgov/newsroom/news_releases/national/03282013_2.xml*

24 International long-haul visitors spend an average of $4,400 during a visit to the United States. U.S. Travel Association, based on Department of Commerce data.

25 Based on an average wait of 55 minutes (25 minutes longer than an appropriate goal of 30 minutes) and average international long-haul visitor spending of $4,400 per trip. This figure includes wait time opportunity costs and costs related to the cancellation of some trip activities due to waiting too long during the entry process.

26 See Appendix A for a discussion of methodology.

27 U.S. Travel Association, based on U.S. Travel survey results and data provided by CBP. See Appendix A for discussion of methodology.

28 Roberts, et al., "The Impact on the U.S. Economy of Changes in Wait Times at Ports of Entry," National Center for Risk and Economic Analysis of Terrorism Events, University of Southern California (2013), available at *http://create.usc.edu/CBP%20Final%20Report.pdf.*

29 Information provided by CBP.

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