



Statement of the

National Retail Federation

Submitted to the

**United States Senate Committee on Commerce, Science and Transportation
Subcommittee on Competitiveness, Innovation, and Export Promotion**

For its hearing on

Tourism in America: Moving Our Economy Forward

Held on

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The National Retail Federation (NRF) respectfully submits this statement for the record for the November 17, 2011 hearing entitled “*Tourism in America: Moving Our Economy Forward.*” NRF would like to thank Chairman Klobuchar, Ranking Member Blunt and the members of the Subcommittee for holding this important hearing. NRF fully believes that the quickest way to stimulate the U.S. economy is to improve the current visa process to allow more foreign travelers, especially those from growing economies, to gain access to the U.S. market. These improvements can be accomplished without any adverse impacts on U.S. security.

Because of the burdensome U.S. visa policy, the travel sector, including the retail sector, is losing access to a broad array of consumers who can help improve economic performance in these key sectors. While the U.S. retail sector has performed better than the overall U.S. economy over the past year, growth in the retail sector could have been even stronger had more international travelers had the opportunity to visit the U.S. and U.S. retail stores. Accelerating the visa process to regain the pre-9/11 travel market share could bring in nearly 100 million more visitors a year, create more than one million new jobs and pump more than \$800 billion into the U.S. economy.

As the world’s largest retail trade association and the voice of retail worldwide, NRF represents retailers of all types and sizes, including chain restaurants and industry partners, from the United States and more than 45 countries abroad. Retailers operate more than 3.6 million U.S. establishments that support one in four U.S. jobs – 42 million working Americans. Contributing \$2.5 trillion to annual GDP, retail is a daily barometer for the nation’s economy. NRF’s [Retail Means Jobs](#) campaign emphasizes the economic importance of retail and encourages policymakers to support a [Jobs, Innovation and Consumer Value Agenda](#) aimed at boosting economic growth and job creation.

Tourism and the Retail Sector

With rapidly growing economies creating a new breed of affluent shoppers in countries such as Brazil, China and India, U.S. retailers have grown to highly value foreign tourists as shoppers in their stores. Unfortunately, tourists from these countries face lengthy delays in obtaining a U.S. visa because of security requirements implemented after 9/11. These delays have led these legitimate travelers to visit other countries instead of the U.S., resulting in a significant drop in the U.S. share of the international travel marketplace.

There are several key barriers currently in place which are preventing increases in overseas travel to America. These include: 1) a highly inefficient and unpredictable visa application approval process; 2) a lack of personnel to process and interview visa applicants as well as a lack of access to a U.S. consular facility; and 3) poor planning and communication to applicants. The U.S. visa application process can take as long as 145 days in Brazil and 120 days in China, two of the fastest-growing markets for outbound overseas travel. While the U.S. State Department has improved performance in these markets, we are concerned that these improvements may only be temporary. The State Department needs to dedicate resources to plan appropriately for future growth.

The delays in the U.S. visa approval process inevitably encourage foreign tourists and consumers to go elsewhere. Last year alone, 38 percent of Chinese tourists went to Europe while only 13 percent came to the U.S. As a result, U.S. merchants are missing out on billions of dollars in potential sales. The U.S. Commerce Department estimates that that 88 percent of overseas visitors shop while traveling in the U.S, and goods made by well-known U.S. brands like Nike, Levis and Gap top their shopping lists. The most popular destinations for travel and shopping are ports-of-entry like New York and Los Angeles along with tourism centers like Las Vegas and Orlando. Many U.S. retailers cater to these foreign shoppers at their flagship stores in major tourist destinations, and retailers often have special programs geared towards international travelers which include providing multi-lingual sales associates in the stores to help with their shopping experience as well as offering special discount cards to these international shoppers.

Recommendations

Because of the importance of this issue to U.S. retailers, NRF has joined the Discover America Partnership. This Partnership unites a diverse group of stakeholders behind a set of recommendations contained in the “Ready for Takeoff¹” report issued by the U.S. Travel Association. The report outlines common-sense visa reforms that will be relatively easy to implement and which could create 1.3 million more U.S. jobs and add \$859 billion to the U.S. economy by 2020. The report’s comprehensive, four-step plan will help the United States achieve its goal of becoming more competitive in the global travel market, which in turn will expand U.S. exports (purchases by tourists of products sold by retailers are considered “services exports”), create new jobs and drive economic growth.

The report recommends four solutions to improve U.S. visa policy. These include:

- Align U.S. State Department resources with market demands;
- Reduce visa interview wait times to 10 days or fewer;
- Improve visa planning, measurement and transparency; and
- Expand the Visa Waiver Program.

In addition to this private sector report, the President’s Council on Jobs and Competitiveness identified travel and tourism as a way to spur job growth. In the Council’s October Interim report titled “Taking Action, Building Confidence: Five Common Sense Initiatives to Boost Jobs and Competitiveness²”, the Council noted that they were focusing on two key areas to improve travel and tourism: promoting travel to the U.S. and accelerating visa processing. The report notes that the State Department has accelerated visa processing in China and Brazil, but they continue to work with the State Department to identify other opportunities to improve visa processing.

Congressional Action

In light of the recommendations from the Discover America Partnership and the focus by the President’s Council on Jobs and Competitiveness, there have been several bills introduced in

¹ <http://www.smartervisapolicy.org/site/documents/VisaReport.pdf>

² http://files.jobs-council.com/jobscouncil/files/2011/10/Jobscouncil_InterimReport_Oct11.pdf

Congress to address the visa processing issues. NRF calls upon Congress to act quickly upon this important legislation in order to provide a meaningful boost to the U.S. economy.

We commend the leaders of the Subcommittee, Chairman Klobuchar and Ranking Member Blunt, for introducing the “International Tourism Facilitation Act” (S. 1653). The bill would give the State Department incentives to improve the visa process and enable the Secretary of State to grant waivers in appropriate circumstances for additional years without requiring additional in-person interviews. We believe these important steps; along with other provisions within the bill will help the Department improve the visa process.

In the House, Representative Joe Heck has introduced the “Welcoming Business Travelers and Tourists to America Act of 2011” (H.R. 3039), which would set a standard that requires the State Department to process visas within 12 days instead of their stated goal of 30 days. The bill would also implement a program that utilizes videoconferencing technology for conducting visa interviews to help alleviate the current backlog.

Finally, NRF strongly supports language included in visa reform provisions included in the Fiscal Year 2012 Department of State, Foreign Operations, and Related Programs Appropriations bill (S. 1601) that would address visa reform. The provision directs the State Department to hire enough consular officers to meet their 30 day standard for processing visas; requires the agency to develop a plan to meet demand for nonimmigrant visas in Brazil, China and India over the next five years; and gives the agency discretion to establish a pilot program to use videoconferencing rather than requiring that visa interviews take place in person.

NRF believes that these bills in combination with the current steps taken by the State Department will help remove the barriers currently in place that discourage international travelers from visiting the U.S.

Conclusion

We thank you for your attention to this important matter. NRF will continue to work with the State Department, business allies and supporters on Capitol Hill to ensure that more foreign visitors who are eager to visit America can safely enter the U.S. and enjoy all that we have to offer – creating jobs for Americans in the process. NRF supports strong national security measures and does not advocate lower standards for entry to improve the visa process. The State Department, however, needs to provide adequate personnel, technology and other resources so visa applications can be processed in a timely manner. If you have any questions or need additional information, please contact Jonathan Gold (goldj@nrf.com), Vice President Supply Chain and Customs Policy for NRF.