CRS Insights

Balancing Tourism against Terrorism: The Visa Waiver Program Michaela D. Platzer, Specialist in Industrial Organization and Business (<u>mplatzer@crs.loc.gov</u>, 7-5037) Alison Siskin, Specialist in Immigration Policy (<u>asiskin@crs.loc.gov</u>, 7-0260) March 13, 2015 (IN10246)

In recent months, <u>Congress has expressed concern</u> that some foreign fighters might exploit the <u>Visa</u> <u>Waiver Program (VWP)</u> to enter the United States and commit acts of terrorism. The VWP allows eligible visitors from <u>38 European nations</u> and a few prosperous Asia-Pacific countries (<u>Figure 1</u>) to enter the United States for short business or leisure stays without first obtaining a visa from a U.S. consulate abroad. Recent attacks by domestic terrorists in Europe and reports of European countries' citizens fighting with armed groups in the Middle East have raised concerns that potential terrorists could travel to the United States with little scrutiny under the VWP.

Balancing national security interests against efforts to facilitate international travel through the VWP presents challenges to legislators. The United States has a large travel and tourism industry. In 2013, <u>travel and tourism</u> accounted for 2.6% of U.S. gross domestic product and directly employed nearly 5.4 million Americans. Foreign visitors in the United States account for a disproportionate amount of U.S. travel and tourism spending. International travelers spent about <u>\$215 billion</u> in 2013 on passenger fares and travel-related goods and services, which makes tourism the United States' single-largest services sector export.





Source: Graphic created by CRS using data from <u>the U.S. Department of State</u> – <u>Bureau of Consular Affairs</u>, accessed March 9, 2015.

Note: Map frames above at different scales.

An average foreign visitor spends about \$4,500 domestically on travel activities, which outpaces domestic visitor spending, based on estimates by the U.S. Travel Association (U.S. Travel). Competition for the world's tourists is fierce, however. A record 70 million foreign visitors traveled to the United States in 2013, yet the U.S. share of long-haul travel declined to 13.2% in 2013 from 17.1% in 2000, according to U.S. Travel. The Obama Administration has set a goal of increasing the annual number of international visitors to 100 million by the end of 2021. Travel industry interests have advocated expanding the visa waiver program to additional countries as a way to stimulate tourism.

Visa Waivers and Security

Before traveling to the United States, a VWP traveler must submit biographical information through the Department of Homeland Security's web-based <u>Electronic System for Travel Authorization (ESTA)</u> application, which determines the eligibility of the foreign national to enter under the VWP. Notably, even with a valid ESTA approval the foreign national may still be deemed <u>inadmissible</u> and denied entry by Customs and Border Protection (CBP) inspectors upon arrival at a U.S. port of entry.

About 20 million people arrived in the United States under the VWP in FY2013 (**Figure 2**), representing more than one-third of all temporary visitors. In 2013, according to U.S. Travel, VWP visitors <u>spent \$79</u> <u>billion</u> while traveling to and within the United States. Recently, the Partnership for a New American Economy, a business group, <u>estimated</u> that if the United States added Brazil, Hong Kong, Turkey, Israel, South Africa, and Poland to the VWP, the number of foreign travelers from these countries would increase by 1.7 million, add \$7.7 billion in tourism spending, and support at least 50,000 American tourism jobs over the period from 2015 to 2019.

Figure 2. Visa Waiver Program Visitors, FY2004-FY2013



Temporary visitors for pleasure and business

Source: 2013 Yearbook of Immigration Statistics, Table 25, Nonimmigrant Admissions by Class of Admission: Fiscal Years 2004 to 2013.

Note: Between FY2008 and FY2013, the Department of Homeland Security (DHS) admitted 10 new countries into the program. Another country, Chile, was added in FY2014.

While there tends to be agreement that the VWP benefits the U.S. economy by facilitating legitimate travel, there is disagreement on the VWP's impact on national security.

<u>Proponents</u> say the VWP strengthens U.S. national security because it sets standards for travel documents, requires information sharing between the member countries and the United States on

criminal and security concerns, and mandates reporting of lost and stolen travel documents. In addition, VWP travelers have to present machine-readable passports or e-passports, and eventually all travelers entering under the VWP will present e-passports, which tend to be more difficult to alter than other types of passports.

<u>Critics</u> argue the VWP could create a security loophole because VWP travelers do not undergo the screening traditionally required to receive a visa. For example, European passport holders who have joined the terrorist group known as the Islamic State (also referred to as ISIS or ISIL) could use it to try to enter the United States without the security checks that holders of other countries' passports undergo when applying for a visa. European governments estimate that more than 2,000 European Union citizens have traveled to Syria, including hundreds from Great Britain, France, and Germany. While ESTA has increased the security of the VWP, it is a name-based system and cannot be used to run checks against databases that use biometrics such as <u>DHS's Automated Biometric Identification</u> <u>System (IDENT)</u> and the Federal Bureau of Investigation's (FBI's) Integrated Automated Fingerprint Identification System (IAFIS).

Congressional Interest

The Visa Waiver Program Improvement Act of 2015 (H.R. 158), introduced by Representative Candice Miller, would allow the Secretary of the Department of Homeland Security to immediately suspend a country's participation in the VWP if the country fails to provide the United States with pertinent traveler information related to security threats. In the 114th Congress, no bills have been introduced to expand the VWP program to new participants. Several bills in 113th Congress would have changed the eligibility criteria so that countries such as Poland and Hong Kong would have qualified. Other introduced bills would have suspended the VWP.