

SUBMITTED TESTIMONY OF  
**BILL CONNORS**  
**EXECUTIVE DIRECTOR & COO**  
ON BEHALF OF THE  
**NATIONAL BUSINESS TRAVEL ASSOCIATION**  
BEFORE THE  
SUBCOMMITTEE ON EUROPEAN AFFAIRS  
SENATE FOREIGN RELATIONS COMMITTEE  
**“TRANSPORTATION & TOURISM ISSUES BEFORE THE U.S. AND  
E.U.”**  
MAY 13, 2004

Mr. Chairman and other distinguished Members; I am honored to testify before the committee today. Thank you for allowing me to present the views and concerns of the customer at today's very important hearing. My name is Bill Connors, and I am the Executive Director & COO of the National Business Travel Association (NBTA). NBTA represents over 1,900 corporate travel managers for the Fortune 1000 companies, and over 8 million domestic and international business travelers.

## **CURRENT ENVIRONMENT**

Prior to September 11<sup>th</sup>, 2001, international business travelers were becoming an integral part of our economy. Even today, multinational corporations like Microsoft, General Motors, IBM and AT&T provide consistent services and support to the United States from offices across the globe. While the national security "hassle factor" seems to be decreasing and the U.S. economy seems headed for a rebound, there are still remnants of the fallout of September 11th that are threatening the resumption of international travel and the restoration of a solid economy.

NBTA has strongly supported the various efforts of the government to enhance aviation and transportation security, and it will continue to do so. Whether it has been the federalization of airport screeners, the Transportation Security Administration's efforts to move towards 100% baggage and cargo screening, or the Department of Homeland Security's efforts as lead agency for protecting our cities, borders and skies, NBTA has fully supported the government's strategies in both domestic regulation and in international agreements.

Enhancing international transportation security, while maintaining the efficient flow of commerce, is a very large, complex and multi-faceted task, and this Committee's oversight of that effort is very appropriate. In my remarks this morning, I would like to address three issues that will have a huge impact on the efficient flow of commerce: CAPPSII; new Visa and Passport Rules; and greater private and public cooperation in the area of travel and tourism.

## **PASSENGER DATA TRANSFERS AND CAPPSII**

NBTA is very concerned about the recent international data transfer agreement between the United States and Europe and the implementation of the Computer Assisted Passenger Prescreening System (CAPPS II). Under its current form, CAPPS II clearly could deter the gains that we have experienced over the last eight months. While we recognize the need to fortify our international borders, no one would wish to give up all the benefits—openness and efficiency--of our modern international travel system. In fact, the prosperity that the market economies of the world enjoyed prior to September 11th was dependent on open and efficient travel facilitation systems.

NBTA is very concerned that the recent changes to enhance the security of our passenger prescreening system could damage open and efficient travel facilitation and slow our economic recovery. NBTA is presently partnered with the business travel associations of Australasia, Brazil, Canada, Europe, Finland, Germany, and the United Kingdom. NBTA observes with concern the recent developments in travel regulations. We welcome all sincere efforts to

establish better security measures but also see the need to implement policies, programs and practices which are in accordance with protection of civil liberties and do not burden business travelers and their companies with unnecessary costs. It would be totally intolerable if new trade obstacles were introduced camouflaged as travel security measures.

In order to continue the process of economic recovery, NBTA urges for satisfactory solutions to the major questions concerning CAPPSSII. We recommend that:

**1. The U.S. Department of Homeland Security address the eight operational and privacy issues identified by the U.S. Congress**

- a) Determine and verify the accuracy of the database to be used by CAPPSSII
- b) Stress-test and demonstrate the accuracy and effectiveness of all search tools to be used by CAPSII
- c) Develop sufficient operational safeguards to reduce the opportunities for abuse
- d) Establish substantial security measures to protect CAPPSSII from unauthorized access by hackers and other injuries
- e) Adopt policies to establish effective oversight of the use and operation of the system
- f) Identify and address all privacy concerns, and
- g) Develop and document a process under which passengers impacted by CAPPSS II can appeal decisions and correct erroneous data.

NBTA is also recommending that a study is commissioned to look into the costs to the private sector induced by CAPPSSII. NBTA understands that ultimately CAPPSSII will allow the U.S. government to focus more on the real threats and less on the millions of frequent travelers who are going about the nation's business. However, NBTA believes that there is a need for a clear and stable regulatory framework to guarantee free movement of personal and corporate data. More importantly, this framework must be designed so that the private sector is not required to assume additional administrative and security costs.

**VISA AND PASSPORT ISSUES**

NBTA advocates that Congress extends the October 26, 2004 biometric passport deadline for Visa Waiver Program (VWP) countries by at least one year and ensure that the US-VISIT program is properly funded and staffed.

According to new policies of the State (DOS) and Homeland Security (DHS) departments, all citizens of countries participating in the Visa Waiver Program (VWP) who wish to enter the country visa-free must present a machine-readable passport beginning October 1, 2004. Travelers from these countries who do not hold such passports must obtain a U.S. non-immigrant visa, and the process involves undergoing a visa interview. In addition to the new passport format requirements, the State Department and DHS are requiring Visa Waiver countries to utilize the new US-VISIT immigration tracking program.

According to the Department of Commerce, twenty-eight percent of all international visitors come to the United States for business. The same survey shows that international business visitors spend an average of over \$1,700 per person on each visit. However, due to the nature of

the business world, business travelers finalize their plans for international travel closer to the departure date than leisure travelers. In 2002, on average, international business travelers coming to the United States made their airline reservations less than 20 days before their departure date. Clearly, the implementation of a complex visa process would cause the delay or cancellation of thousands of international business trips to the United States each year, costing American businesses across the country hundreds of millions of dollars.

The United States must continue to provide a welcoming environment for our international visitors. While the early reports from the US-VIST program show no significant delays, the upcoming summer travel season and the incorporation of an additional 13 million annual visitors from VWP countries into US-VISIT will provide the first real stress to the system. A properly funded and staffed US-VISIT program will increase the chances a positive experience for our foreign visitors. It will also allow the State Department to take a more proactive stance in educating the citizens of VWP countries—our most frequent visitors and best trading partners—of what they can expect when they visit the United States.

## **ADVISORY BOARD**

Although travel and tourism is one of very few industries that creates a multi-billion dollar trade surplus for our country, the United States continues to lose market share making us the third most visited destination in the world behind France and Spain. NBTA and its members would like to work in partnership with the Bush Administration and members of Congress to help revitalize the travel and tourism industry and to send an important message to the world that we want them to come and visit. In the past, NBTA has supported mediums that would seek to provide guidance to the federal government on matters involving national tourism development.

NBTA believes that it is crucial for Congress and the Administration to create formal external advisory groups that would provide expert advice and recommendations to the DHS, State Department, Department of Commerce and other agencies that stroke travel and tourism issues. These groups would draw upon their expertise in creating, implementing and evaluating performance measurement standards and will make recommendations regarding the types of measures and benchmarking systems that agencies can employ most effectively to track travel and transportation programs performance.

Specifically, NBTA believes there needs to be a Presidential Advisory Council on Travel and Tourism, which would call upon the expertise of the corporate and leisure travel industries in the areas of transportation security, destination marketing and travel facilitation. Only through a public and private partnership will we be able to alleviate the barriers of international commerce and trade and restore the United States as the gateway for international travel.

## **CONCLUSION**

While travel continues its rebound from the post-September 11 fallout, additional barriers to travel, and especially business travel and international commerce, would only serve to slow the current recovery. International business travel helps facilitate trade of goods and services from

all over the United States to every corner of the globe. We must ensure that the lanes of business travel with our most important trading partners and allies remain free and clear. Therefore, we urge Congress to carefully review CAPPSII; extend the October 26, 2004 biometric passport deadline for VWP countries; continue to monitor the US-VISIT program; and create an advisory board for travel and tourism issues.

From 2001 to 2002, international travelers to the United States dropped 44.9 million to 41.9 million. International visitor spending in the United States over that time decreased from \$71.9 billion to \$66.5 billion. And our travel trade surplus of \$26 billion in 1996 plummeted to \$5.5 billion in 2002. We must make sure that government-imposed homeland security changes do not result in direct costs to the U.S. economy.

NBTA understands that ultimately the Federal Government and the private sector must work together to strengthen security while ensuring that travel is safe, efficient and cost-effective. I, again, thank the committee for the opportunity to testify on this vital subject and I look forward to your comments and questions.