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The Visa Waiver Program: Balancing Tourism and National Security

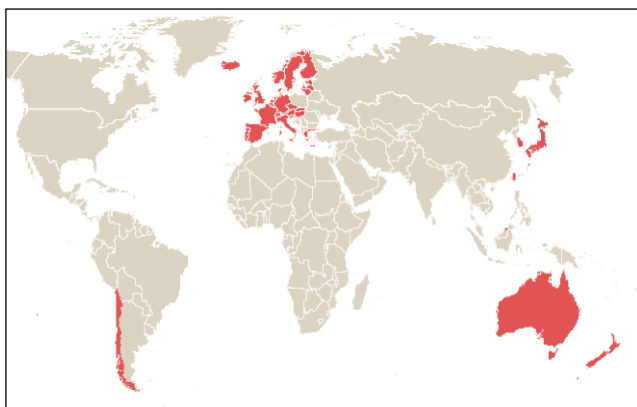
The U.S. Visa Waiver Program (VWP) is intended to encourage travel to the United States by allowing citizens of more than three dozen countries to visit without obtaining visas from a U.S. consulate. The program was originally established in 1986. In recent years, some Members of Congress and the Trump Administration have expressed concern that potential terrorists holding passports from a VWP country might be able to enter the United States. Discussions over reform of the VWP are occurring at the same time as a recent dip in the number of visitors to the United States from VWP countries.

What Is the Visa Waiver Program?

The Visa Waiver Permanent Program Act (P.L. 106-396) allows citizens holding a passport from 38 developed nations in Europe, Asia, Oceania, and South America (see **Figure 1**) to visit the United States on trips of 90 days or less for business or tourism without first obtaining a visa.

The VWP sets standards for travel documents, requires information sharing between member countries and the United States, mandates reporting of lost or stolen travel documents, and requires travelers to use e-passports, which include a digital chip containing biometric information and are relatively difficult to tamper with.

Figure 1. 38 Visa Waiver Program Countries



Source: Graphic created by CRS using data from the U.S. Department of State—Bureau of Consular Affairs.

Prior to boarding a plane or ship for the United States, all prospective VWP travelers must obtain pre-travel authorization through the Electronic System for Travel Authorization (ESTA). This is a web-based application run by the Department of Homeland Security (DHS), which determines the eligibility of the foreign national to enter under the VWP. An ESTA authorization is generally valid for multiple entries over a period of two years.

Each VWP traveler who uses ESTA is charged a \$14 fee. Of this, \$10 is used to fund Brand USA—a public-private

entity to promote U.S. tourism—and \$4 goes to defray DHS’s costs of screening VWP applicants.

The VWP was established as a pilot program in 1986 and became permanent in 2000. It is the largest source of overseas visitors to the United States, other than visitors from neighboring Canada and Mexico (which accounted for half of total arrivals in the United States in 2016). Canadian nationals can travel visa-free to the United States, but Mexicans must obtain visas. Border crossing cards, often referred to as “laser visas,” are issued to Mexican citizens for short-term entry to the United States border zone for business or tourism.

U.S. Travel and Tourism Economy

In 2015, the latest year for which data are available, the nation’s tourism industries accounted for 2.7% of U.S. gross domestic product. Of the 7.6 million American jobs directly and indirectly supported by the domestic travel and tourism industry in 2016, 1.2 million were supported by international visitors, according to the Department of Commerce. The Bureau of Economic Analysis estimates foreign travelers accounted for 25% of tourist spending on lodging, 27% of tourists’ food and beverage demand, and 24% of total passenger air transportation demand in 2015.

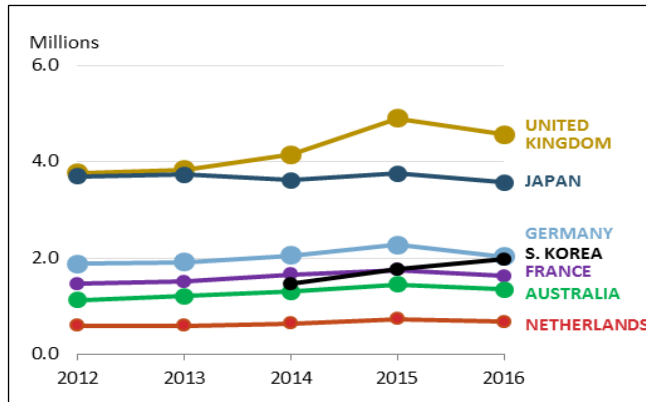
In addition, international travelers spent about \$244 billion in 2017 on passenger fares on U.S. air carriers and travel-related goods and services, which makes tourism the United States’ single-largest services sector export. The U.S. travel and tourism sector has maintained an annual trade surplus—\$70.1 billion in 2017—with the world every year since 1989.

Arrivals of foreign visitors increased over many years, with growth interrupted by the terrorist attacks of September 11, 2001, and by poor economic conditions in Europe and Japan in 2009. Between 2015 and 2017, however, the number of foreign residents arriving in the United States is estimated to have fallen from 77.5 million to 75 million, a drop of 3%, despite relatively strong economic growth around the world. This decline has occurred at a time when cross-border tourism is increasing globally.

Figures from the World Bank show the United States’ share of the 1.2 billion global tourism arrivals shrank to 6.1% in 2016 from 6.4% in 2015.

Visitors from VWP Markets

In FY2016, about 23 million people entered the United States under the VWP, accounting for roughly a third of all temporary visitors to the United States. Arrivals from many of the VWP countries responsible for the highest volumes of tourist visits declined significantly (see **Figure 2**).

Figure 2. Visitors from Selected VWP Countries to the United States

Source: National Travel and Tourism Office.

For example, the volume of visitors from Germany shrank 10% between 2015 and 2016, and arrivals from the United Kingdom, France, the Netherlands, and Japan were down as well.

Several factors may account for the recent overall slide in foreign visitors traveling to the United States, including

- a strong U.S. dollar in 2016, making stays in the United States more expensive for international visitors;
- weak economies in some other nations, such as Brazil, an important source of international visitors, at nearly 1.7 million arrivals in 2016; and
- travelers electing to go elsewhere.

There is also a perception, supported by surveys conducted by various travel groups, indicating that prospective travelers from VWP countries view the United States as a less welcoming place than previously, perhaps due to changes to the VWP and to publicity surrounding the Trump Administration's announcements of "travel bans" on visitors from several majority Muslim countries.

The U.S. government predicts an overall rise in foreign visitors traveling to the United States over the next five years. However, projections that about 83 million foreign visitors will travel to the United States in 2020 are below the goal of 100 million set by a federal Task Force on Travel and Competitiveness established in 2012.

Executive Branch Actions

In December 2017, as part of the Trump Administration's counterterrorism efforts, DHS announced additional VWP security measures and called on Congress to codify existing VWP requirements. In the Bipartisan Budget Act of 2018 (P.L. 115-123), Congress extended the Travel Promotion Fund fee through September 30, 2027, but the authority to transfer the funds to Brand USA sunsets at the end of FY2020. The Trump Administration's FY2019 budget proposes eliminating funding for tourism promotion,

including Brand USA, and making the revenue available to Customs and Border Protection.

A long-standing issue between United States and the European Union (EU) is the exclusion from the VWP of travelers from five EU member states (Bulgaria, Croatia, Cyprus, Poland, and Romania). The EU has argued that the Visa Waiver Program interferes with European citizenship rights by excluding at least 14% of EU citizens. The United States has insisted that each individual EU member country must meet U.S. security requirements before its citizens can become eligible for VWP travel. In 2017, the European Parliament adopted a nonbinding resolution calling for the EU to suspend visa-free entry for citizens of countries that do not grant a reciprocal visa waiver to citizens of all EU member states, but this proposal has not been put into effect.

VWP-Related Issues for Congress

Following a number of high-profile terrorist attacks in Europe perpetrated mainly by European citizens, and reports of European countries' citizens fighting with armed groups in the Middle East, some Members of Congress proposed bills to tighten requirements under the VWP. The Visa Waiver Program Improvement and Terrorist Travel Prevention Act, enacted as part of the FY2016 Consolidated Appropriations Act (P.L. 114-113) in December 2015, made residents of VWP countries ineligible for admission to the United States if they are dual nationals of or have been present in Iran, Iraq, Libya, Somalia, Sudan, Syria, or Yemen at any time on or after March 1, 2011 (with limited exceptions). The law also allows the Secretary of Homeland Security to immediately suspend a country's participation in the VWP if the country fails to provide information related to security threats.

Meanwhile, other lawmakers have offered bills to expand the VWP to several other countries, such as Hong Kong and Israel. In the 115th Congress, for example, H.R. 2388 would extend the VWP to Poland; H.R. 187 would create a separate visa waiver program for the U.S. Virgin Islands; and H.R. 730 would remove the prohibition against VWP participation by dual nationals from Iraq, Syria, and other countries of concern. None of these bills has been reported.

Related CRS Products

CRS Report R43463, *U.S. Travel and Tourism: Industry Trends and Policy Issues for Congress*, by Michaela D. Platzer

CRS Report RL32221, *Visa Waiver Program*, by Jill H. Wilson

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