



Highlights of [GAO-08-623](#), a report to the Chairman, Committee on Homeland Security, House of Representatives

Why GAO Did This Study

Under the Visa Waiver Program (VWP), citizens from 27 countries can travel to the United States visa free. Terrorism concerns involving VWP country citizens have led some to suggest eliminating or suspending the program, while the executive branch is considering adding countries to it. Legislation passed in 2007 led the Department of Homeland Security (DHS) to develop its Electronic System for Travel Authorization (ESTA), to screen VWP country citizens before they travel to the United States; if found ineligible, travelers will need to apply for a visa. GAO reviewed how (1) program elimination or suspension, (2) program expansion, and (3) ESTA could affect visa demand, resource needs, and revenues. We collected traveler, staffing, facilities, and cost data from the Department of State (State), DHS, and embassy officials and developed estimates related to the three scenarios above.

What GAO Recommends

GAO recommends: (1) State and U.S. embassies in VWP countries develop contingency plans in the event of program elimination; and (2) DHS and State develop estimates of increased visa demand resulting from ESTA, and State develops plans to manage the increased workload. State said it would ask embassies to discuss plans to manage possible program elimination, but did not note whether it fully concurred with our recommendation. State agreed with the need to plan for ESTA, but noted its ability to plan was limited because DHS had not yet resolved critical details about ESTA. DHS agreed with our recommendation. To view the full product, including the scope and methodology, click on [GAO-08-623](#). For more information, contact Jess Ford at (202) 512-4128 or fordj@gao.gov.

BORDER SECURITY

State Department Should Plan for Potentially Significant Staffing and Facilities Shortfalls Caused by Changes in the Visa Waiver Program

What GAO Found

The potential elimination or suspension of the Visa Waiver Program could cause dramatic increases in visa demand—from around 500,000 (the average number of people from VWP countries who obtain a U.S. visa each year) to as much as 12.6 million (the average number of people who travel to the United States from VWP countries each year)—that could overwhelm visa operations in the near term. To meet visa demand, State officials said they could need approximately 45 new facilities, which we estimate could cost \$3.8 billion to \$5.7 billion. We estimate State would also need substantially more staff—around 540 new Foreign Service officers at a cost of around \$185 million to \$201 million per year, and 1,350 local Foreign Service national staff at around \$168 million to \$190 million per year, as well as additional management and support positions for a total annual cost of \$447 million to \$486 million. Because VWP elimination would increase the number of travelers needing a visa, we estimate annual visa fee revenues would increase substantially, by \$1.7 billion to \$1.8 billion, and would offset the year-to-year recurring staffing costs. State has done limited planning for how it would address increased visa demand if the program were suspended or eliminated.

Adding countries to the Visa Waiver Program would reduce visa demand in those countries, but likely have a relatively limited effect overall on resources needed to meet visa demand and on State's visa fee revenues. The volume of visa applications is relatively small in most of the 13 "Road Map" countries the executive branch is considering for expansion. If all 13 Road Map countries were to join the program, and if all of those countries' citizens who previously traveled with visas were to travel to the United States without visas, the reduction in workload would, we estimate, permit State to move about 21 to 31 Foreign Service officers to other posts in need, and to cut 52 to 77 Foreign Service national positions. In addition, though program expansion would result in less space needed for visa operations, this would likely result in little or no building or lease savings because any resulting excess consular space is in government-owned facilities, and could not be sold. If all 13 Road Map countries were admitted to the Visa Waiver Program, we estimate that State would lose approximately \$74 million to \$83 million each year in collected visa fees, offsetting any savings in personnel costs.

State and DHS officials acknowledged that the implementation of ESTA could increase visa demand in VWP countries, though neither State nor DHS has developed estimates of the increase. DHS is currently developing ESTA, and DHS officials told us the ESTA rejection rate could be between 1 percent and 3 percent, but they currently do not know. In addition, State and embassy officials believe some travelers might choose to apply for a visa rather than face potential, unexpected travel disruptions due to ESTA. Neither DHS nor State has attempted to estimate how these two factors would affect visa demand, and, as a result, State has not estimated what additional resources would be needed to manage the demand, and what additional visa fees would be received. However, State officials told us that, if 1 percent to 3 percent of current VWP travelers came to embassies in VWP countries for visas, it could greatly increase visa demand at some locations, which could significantly disrupt visa operations.