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21 March 2012

Thank you for the opportunity to share with you information about the concerns of the exhibitions and events industry with respect to visa, entry and homeland security issues. My name is Steven Hacker. I am the president of the International Association of Exhibitions and Events™ (IAEE), a not-for-profit trade association headquartered in Dallas, Texas that represents the exhibitions and events industry. Our members in the United States produce, service, or host most of the 11,000 trade and public exhibitions that take place each year. These trade events represent about half of the total number that takes place worldwide each year. Many are state-of-the-art events such as the International Consumer Electronics Show, ConAgra/Con Expo, and The National Association of Broadcasters, to name just a few that you may know.

Trade shows and other exhibitions are nothing more than a mirror reflection of the economic circumstances of the industries and avocations that they serve. The events our members produce run the entire spectrum of commerce and society. There are literally events for every industry and interest including events serving the commercial fishing boat industry, wind energy, nuclear medicine and scrap-booking. It should come as no surprise then that most of the events that take place in the United States are now dependent upon the attendance of international buyers and sellers.

My friend and colleague, Roger Dow, president of the U.S. Travel Association often refers to the time since 9/11 as the “Lost Decade” with respect to the global expansion of international travel. While the number of international travelers has increased by 60 million worldwide, the number visiting the United States has remained essentially the same. We are only expecting to increase the number of international visitors by 3.4% this year. To put these numbers in perspective, more Chinese citizens will visit France this year than will visit the United States. Our market share of international visitors has shrunk from 17% in 2000 to 12.4% in 2011. We have become the “Blackberry” of international travel -- hemorrhaging critical market share to our competitors who are thriving at the same time.

The last decade has been 10 years of “Lost Opportunity” for the U.S. exhibition industry. Visa and entry hurdles have kept millions of eager foreign buyers and sellers from participating in our events. As a result, they are now buying products and services at exhibitions taking place in Germany, France and China. This is terribly frustrating and is the first of three important ironies I will share with you today.

For the first time in modern history we stand on the brink of being able to finally compete on a level playing field with the colossus of the German trade fair industry whose decades-long and very substantial government subsidies are quickly being eliminated as the result of the continuing European financial crisis. The likely beneficiary of this historic economic opportunity will not be the United States - it will be China.

Just last week, the Chinese government and the city of Shanghai announced they will soon build the world's largest exhibition facility -- containing over 5 million square feet of space -- large enough to house two McCormick Place Convention Centers, this nation's largest, within its walls.

We have struggled for 10 years to convince State and Homeland Security that we must have a comprehensive and secure visa and entry policy -- and I want to underscore the singular noun *policy* because what we now have is nothing more than a patchwork quilt of ad hoc measures that often are at odds with each other and that fall far short of constituting a seamless approach to our commercial and security interests.

The second tragic irony is that our most promising customers who are buyers from the emerging economics of China, Brazil and India are often the least likely visitors to secure U.S. visas. We are essentially broadcasting to our best prospects, "do not shop here."

In late 2010 we commissioned the highly regarded research firm Oxford Economics to conduct a study that would reveal the economic consequences upon our industry and our nation stemming from this hodgepodge of poorly conceived and executed visa and entry policies. The key findings of the study are disturbing:

- Visa issues prevented 116,000 international visitors from attending U.S. exhibitions. This includes 78,400 buyers and 37,900 international exhibitors.

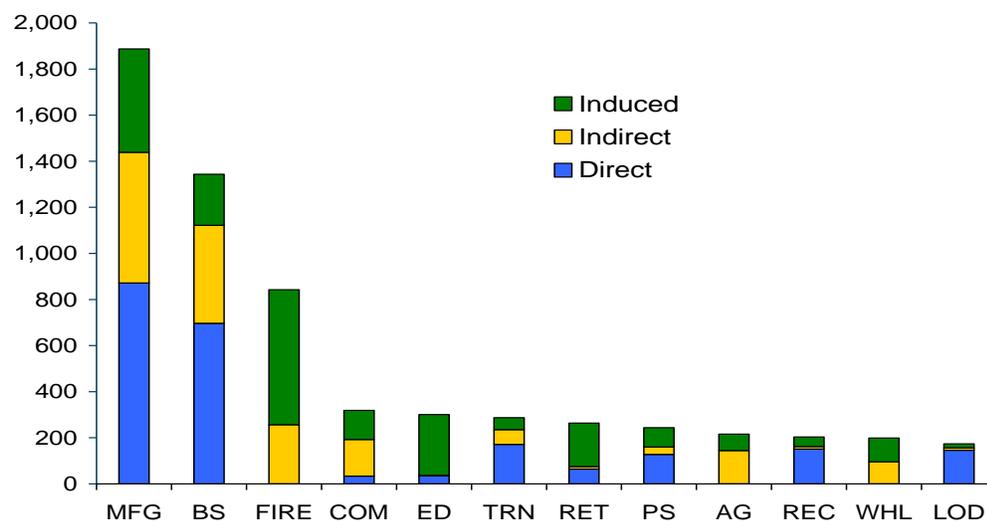
These are not buyers who you would find at the Premium Outlet Mall. They want to come here to buy farm and construction heavy machinery costing thousands, and in many cases, millions of dollars apiece; they need aerospace components, automobile parts, technology and U.S. service industry know-how. Today they are buying what they need in other nations.

- Drop the visa barriers and the U.S. economy would realize increases in business sales from our events alone of about \$3 billion. These gains include \$1.5 billion in business-to-business trade, one-half billion in registration fees and exhibition space spending, and about \$300 million in visitor spending.
- The \$3 billion in lost sales would sustain over 17,500 jobs directly and 43,000 jobs overall. It would generate three-quarters of a billion dollars in state and federal taxes.

The third irony revealed by our study is that the industrial sector that would benefit most from the removal of visa barriers is manufacturing -- the sector that is most vital to long-term American economic security. The presence of visa obstacles keeps our most promising buyers from engaging with our most vital industry sector. What sense does this make?

## Increased Sales - No Visa Issues

\$ million



Source : Oxford Economics

MFG	Manufacturing	RET	Retail Trade
BS	Business Services	PS	Personal Services
FIRE	Finance, Insurance & Real Estate	AG	Agriculture, Fishing, Mining
COM	Communications	REC	Recreation and Entertainment
ED	Education and Health Care	WHL	Wholesale Trade
TRN	Other Transport	LOD	Lodging

We applaud both State and Homeland Security for the recently announced initiatives that will add additional resources in China, Brazil and elsewhere and that will help bring down waiting times and facilitate more efficient visa processing. However, these latest efforts are just new pieces of the same patchwork quilt and continue to fall far short of constituting a comprehensive, over-arching visa and entry policy that also enhances national security.

Let me hasten to add that the entry experience is as important as the visa issuance policy. It creates a lasting personal impression that can either be very helpful or very harmful to our long-term economic interests. Waiting in an immigration and customs line for 90 minutes only to be greeted by a sullen customs officer is not what other cultures consider hospitality. No surprise, it often reaffirms the conviction that “we are not wanted in the United States.”

I referred earlier to ad hoc policies that are often at odds with each other. Here is an example. The newly launched Trusted Traveler program is something we have advocated repeatedly since 9/11. In most airport installations it is flawed. Trusted Travelers who expect to “fly through” TSA security screening must first wait the typical 20 minutes or more in the same lanes as all other travelers. This completely defeats the purpose of the program. The system needs to stipulate that there must be a lane dedicated exclusively to Trusted Travelers so they may reach the TSA podium swiftly.

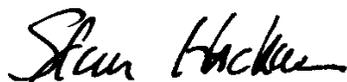
To conclude here is what we recommend:

- We must develop a singular and comprehensive visa and entry policy that is designed from the ground up. It must support the mutual goals of enhancing our economic competitiveness and

national security. We believe it would be beneficial to create a U.S. visa commission consisting of State and Homeland Security personnel and executives from the private sector for this purpose. Many of the flaws in the current patchwork would never be permitted if we ran visa and entry processing as a commercial enterprise. We need to streamline and modernize these systems if we hope to become globally competitive. Executives who have expertise in travel and the movement of people are resources that must be engaged to ensure that our federal agencies can redesign the system in the most efficient and effective manner.

- Ample evidence exists that many visa rejections appear to be illogical, capricious and unfounded. While we believe that ultimate authority for the approval or denial of applicants must continue to reside with consular officials at posts abroad, we also believe that it would be very helpful to adopt uniform guidelines that establish more definitive parameters for the circumstances that might bear upon the final decision to approve or deny an application.
- The Visa Waiver Program must be expanded quickly to include our most important potential trading partners like Brazil, Argentina, Chile and Poland. There are, of course, many others. The benefits are enormous and will materially reduce the stress on our visa and entry support systems. Expanding the Visa Waiver Program will free desperately needed resources that can be applied elsewhere in the system. The addition, for example, of the Republic of Korea to the program last year has already resulted in the doubling of visitors from that nation to the U.S.
- Allowing more international visitors to enter the United States is not a zero sum game. Quite the contrary. It will yield millions and millions of dollars in new fees and taxes to stimulate new jobs and put American commerce in a far more competitive position globally than we have been for the past decade.

Thank you again for allowing me this opportunity to visit with you.



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