

Senate Foreign Relations Committee

**International Operations and Organizations,
Democracy and Human Right Subcommittee**

Testimony of

**Assistant Secretary of State for Consular Affairs
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Time 2:30 p.m.**

Chairman Nelson, Ranking Member Vitter, distinguished members of the Subcommittee,

I appreciate this opportunity to discuss how the Bureau of Consular Affairs is working to meet the needs of American citizens for reliable, secure passports.

The Bureau of Consular Affairs (CA) is charged with adjudicating applications for one of the most valuable travel documents on the planet: the U.S. passport. We are responsible for issuing passports in a manner that ensures that the application process is accessible to all Americans, and that only those entitled to the privileges and benefits of U.S. citizenship, including a U.S. passport, receive one.

- We issue passports with state-of-the-art security features, including an electronic chip and biometrics to make the document harder to forge, alter, or misuse. We have been issuing these “e-passports” since August 2006, and are producing them at each of our 18 passport agencies around the country;
- We issued 10.1 million passports in Fiscal Year 2005 and 12.1 million last year. In May 2007, we issued 1.66 million passports, a record high. As of May 31, we have issued 10.3 million passports this fiscal year – a 33 percent increase over the same period last year – and are

on pace to issue over 17 million by the end of the year;

- We worked closely with our colleagues in the Department of Homeland Security to implement the Western Hemisphere Travel Initiative (WHTI) Air Phase, which took effect on January 23, 2007. Polling data indicate strong public compliance with and support for this measure to enhance security and efficiency at U.S. borders.

As a service organization, we set high standards for ourselves in CA; it is what the American public expects and deserves. Throughout our history as an organization we have, with rare exceptions, met those standards and we are taking the steps necessary to ensure that we return to meeting those standards just as soon as possible.

No one is more aware than I of the fact that, in the past several months, many travelers who applied for a passport did not receive their documents in the time frame they expected. In some cases, the passports did not arrive in time for planned travel. I deeply regret that. All of us in CA are dismayed by such stories – and we consider the current situation untenable.

I am confident that we will correct this situation, and we are pursuing several strategies toward that goal. I would like to brief you on the current state of affairs, and what CA is doing now and over the longer term to improve our turnaround time.

How Did We Get Here? Passport Receipts Exceed Expectations

We have been planning for increased passport demand since Congress passed the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA), which included a provision requiring all travelers to have a passport or other combination of documents establishing identity and citizenship to travel into and out of the United States.

Following passage of IRPTA, we had two years to plan for the expected increase in passport demand. First we analyzed our own figures. We also commissioned a survey conducted by an independent contractor, which predicted that we would receive 16.2 million passport applications in FY 2007. We ramped up capacity by adding staff, expanding facilities, and enhancing service.

Additional Staff

We hired 441 employees in Passport Services in FY 2005, 925 in FY 2006, and 1,222 thus far in FY 2007 – a total of 2,588 in less than three years. These figures include passport adjudicators and contractors who perform critical non-adjudicative functions at our passport agencies.

Expanded Facilities

In October 2005, we inaugurated the Colorado Passport Agency to address the travel needs of citizens throughout the Rocky Mountain region. In October 2006, we contracted for a mega-processing passport center in Hot Springs, Arkansas, and opened it 120 days later in March 2007. We cut the ribbon on the Arkansas Passport Center (APC) last week, after giving it a little bit of opportunity to get up and running. APC will be able to produce 10 million passports annually when it reaches full capacity later this year.

In November 2005, we expanded our lockbox service with two sites, one in Delaware and another in California, which operate 24/7. At the lockboxes, applications are sorted and fee checks are deposited. The lockboxes then forward the applications to our 18 passport facilities around the country for processing. Lockboxes are a U.S. Government best practice that streamlines the application process for a number of government interactions. By expanding lockbox coverage from one central site to two, we have introduced greater service capacity and redundancy of passport application processing operations, the latter of which will allow us greater flexibility in the event of a crisis.

In January 2006, we added a second shift at our Charleston Passport Center (CPC) and implemented 24/7 operations at our National Passport Center (NPC) in New Hampshire. We also increased the size of our Houston and New Orleans passport agencies, have identified space for a much larger replacement facility in Miami and are engaged with the General Services Administration right now on a fast-track search for additional space in order to expand our National Passport Center in Portsmouth.

Enhanced Service

We implemented a Centralized Appointment System, which allows customers to schedule appointments through the National Passport Information Center (NPIC) for any of our domestic agencies nationwide. We also implemented an online status check service. This service, available through the CA website, travel.state.gov, allows customers to check the status of their passport application from their desktop.

The Situation in 2007 – When Phase I of WHTI Took Effect

Our projection was for 16.2 million passport applications in FY 2007, and we planned against that projection. In fact, applications increased dramatically in a very short time frame, and Americans applied for passports in record-setting numbers. In the final month before WHTI implementation, December 2006, we received approximately 1 million applications. In response to our outreach and public education effort regarding WHTI, we then received 1.8 million applications in January 2007, 1.7 million in February, and 1.997 million in March. Essentially 5.4 million applications in a very short period of time greatly stressed the system. We simply did not anticipate American citizens' willingness to comply so quickly with the new law.

In addition, many people who indicate no overseas travel plans have applied for a passport because they see it as the premier citizenship and identity document, one that allows the bearer to board an airplane, prove citizenship for employment purposes, apply for federal benefits, and fulfill other needs not related to international travel.

The bottom line: The increase in demand was sharper and more compressed than we expected. Receipts far exceeded our ability to keep pace with them **in our traditional timeframe**. As a result, it began to take longer to process applications. Our average processing time lengthened from six weeks in December, to 10 to 12 weeks today.

We have taken extraordinary measures to address this issue and respond to the public. We set up telephone and adjudication taskforces to supplement our regular operations and handle the overflow in the volume of calls and of work. We brought back retired annuitants. We expanded hours – having agencies work evenings and weekends. Qualified employees from

throughout the Bureau of Consular Affairs have volunteered their time, or been taken off of other duties to work on passport issues.

There are 2.95 million applications currently pending at our passport agencies. At our current rate of issuance, this represents approximately eight weeks' worth of work on hand. We are processing most routine applications within 10 to 12 weeks and expedited applications within two to three weeks. We do not expect these processing times to increase. For faster service, our counter agencies continue to provide same-day service to as many travelers as we can accommodate with evidence of imminent departure dates. We have and will continue to regularly update these estimates on our website and through our communications with the media.

At the same time as we are receiving record numbers of applications, we are issuing record numbers of passports. We issue an average of 1.5 million passports per month; in May, we issued 1.6 million passports. The great majority of Americans who apply for passports are getting them on time. But we recognize that most is not good enough. So we are doing something about it.

Addressing Record Demand: The Short Term

Flexible Interpretation of Documentation Requirements

To ensure that travelers would be able to carry through with their travel plans, we and the Department of Homeland Security agreed that additional steps were warranted. On June 8, State and DHS announced that DHS would use its existing authority to exercise flexibility in determining the documentation required of American citizens to enter and depart from the United States during this continuing transition phase of WHTI Air Phase implementation.

Under these temporary measures – which will be applied through September 30, 2007 – American citizens returning from Canada, Mexico, Bermuda, or countries in the Caribbean region, who have applied for, but not yet received their passports, can re-enter the United States by air with a government-issued photo identification and Department of State official proof of application for a passport. Children under the age of 16 traveling with their parents or legal guardian will be permitted to travel with the child's proof of application status.

As official proof of application for a passport, travelers can present the print-out of the online status check that the traveler can make at www.travel.state.gov. The print-out shows that an application has been received by our Office of Passport Services.

This temporary measure is designed to accommodate U.S. citizen travelers returning to the United States. This accommodation does not mean that Americans are exempt from meeting the entry requirements of individual countries. Entry requirements for those countries remain in effect. We have consulted with the governments of countries affected by WHTI and many of them also will be able to take a flexible approach. We continue to recommend, as we have always done, that travelers verify a country's specific entry requirements before departure. Contact information is included in the Consular Information Sheets we maintain for every country and which are available at www.travel.state.gov.

Since the June 8 announcement, my colleagues in the Bureau of Consular Affairs and I have conducted numerous briefings and other public outreach activities to inform the public about this accommodation. DHS' Customs and Border Protection agency briefed air carriers. We stay in frequent communication with the travel and tourism industry, and with our passport agencies, and passport acceptance facilities around the country to get feedback and stay abreast of public concerns.

The joint State-DHS announcement had an immediate impact. On Monday, June 11, more than 61,000 users accessed the internet site from which proof of a pending passport application can be obtained. The number of telephone and e-mail inquiries to our National Passport Information Center declined precipitously. It is true that there were some software issues that prevented a small number of people from being able to obtain the proof of application they needed; we developed a workaround that appears to be working.

Flexibility in the WHTI document requirements will help us process more rapidly the applications we have on hand by allowing us to focus on those travelers who **must** have a passport to travel. We will, of course, process to completion all applications on hand; we expect to work through the existing backlog by fall. We are redoubling attention to hiring and training additional staff and plan to finish facility expansions at several of our agencies.

Refunds for Expedite Fees

Recently, a number of questions have arisen about refunds – in particular for travelers who paid the expedite fee. Let me turn now to that issue. We are aware that due to the enormous increase in passport demand and lengthening of turn around times, many citizens opted to pay for expedited service.

I want to assure you today that everyone who paid for expedited service had their application effectively ‘moved to the front of the line.’ In spite of our best efforts, some travelers who paid for expedited service did not receive their passport within the timeframe we promised – two to three weeks.

We sincerely regret that and we will consider, on a case-by-case basis refund requests from customers who paid for expedited service and have reason to believe that they did not receive expedited service.

Strategies to Increase Passport Production

In addition to these measures to help travelers, the Bureau of Consular Affairs is working flat-out to increase passport production.

Extended Hours

- We expanded the hours of operation at all of our passport agencies, including evenings and weekends; counters are open on Saturdays for emergency appointments, which we are scheduling through our call center.
- NPC and CPC, which together issue over 50 percent of all passports nationwide, are both operating 24 hours in three shifts per day. Several agencies now operate two shifts.
- We instituted mandatory overtime and suspended all non-critical training and travel for passport staff until further notice.

Additional Staff

- We are aggressively recruiting staff. We brought 259 government and contract employees on board in the last three months. We plan to hire up to 800 new government employees and 750 to 800 contractors within the next year. Government employees can adjudicate passport

applications, while contract staff perform critical support functions to print and mail out adjudicated passports.

- We obtained an OPM exemption to the hiring cap for Civil Service annuitants, so that we can bring back experienced and well-trained retired adjudicators while we continue to recruit and train new passport specialists. Ninety retirees are in the pipeline to return to work in passport agencies where, in addition to helping with the workload, they will provide critical management support as hundreds of new employees complete training and begin work.
- Qualified State Department employees are volunteering to help process passport applications. These volunteers supplement the Department's corps of passport specialists and are working two shifts during the week and all day Saturday and Sunday, to optimize existing equipment and space resources. They have approved over 80,000 passport applications since mid-March.
- We dispatched teams of passport specialists to exceptionally high volume passport agencies to assist with walk-in applicants and to process pending applications. These teams also provide customer support, including locating and expediting applications of customers with urgent travel needs.

Response to Increased Call Volume

In response to heavy call volume, the NPIC, our call center, increased staff to over 400 customer service representatives and extended operating hours. I am aware that its lines are oversubscribed, and that this has been a source of frustration to your staffs and the general public. The number of telephone inquiries has dropped, but the call volume remains high. Our call center has recently installed 18 additional high-capacity lines, each of which carries 24 separate telephone lines, for a total of 432 new lines. This will increase the volume of telephone calls NPIC can handle. We continue to work with NPIC to improve the service.

To supplement NPIC, we established a temporary phone task force at the Department. State Department employees are volunteering to provide information, respond to urgent requests, and help Americans get their passports. We also stood up a temporary call center at the Kentucky

Consular Center (KCC), staffed with approximately 100 operators, working two shifts.

We have also established an email box, NPIC-CONG@state.gov, and installed additional high-capacity lines dedicated to Congressional inquiries at NPIC, to better handle your constituent needs.

We believe the measures we have already taken will give us the time, staffing, and physical capacity to be able to process all of the applications that have taken longer than normal to complete. We hope to be well on our way to returning to our normal processing times by September 30, 2007.

Addressing Record Demand: The Longer Term

As we look to the future, it is evident that implementation of the Western Hemisphere Travel Initiative will bring with it a permanent increase in the demand by U.S. citizens for an international travel document. The record-breaking demand we see today is not an anomaly; demand will continue to grow. We currently project the demand for passports to be approximately 23 million in 2008, and as high as 30 million by 2010. Over 78 million Americans currently have passports – somewhat more than 25 percent of our citizens. Americans will continue to need secure documentation of their nationality and identity.

Additional resources will be needed. The Department sent on June 8 a formal Congressional Notification regarding plans to re-program nearly \$37,000,000 for the FY 2007 Border Security Program. We will use the additional funds to hire 400 new passport adjudicators this fiscal year, and fund expansion of NPC and the Miami Passport Agency.

We are also implementing long-term strategies to ensure we have the capacity to meet higher demand and provide Americans with passports in a timely and secure manner. Chief among these is a new approach to passport production represented by the Arkansas Passport Center (APC). APC differs from our other passport agencies in that it focuses solely on printing and shipping passports. The files of applications reviewed and adjudicated at other agencies are transmitted electronically to APC, which prints and ships the

passports. This approach requires that we install new software at our existing passport agencies to permit remote passport issuance. We have installed the software at seven agencies, and expect to complete conversion of all 17 by the end of September.

APC has already produced 130,000 passports using this system. As I noted earlier, when it reaches full capacity, slated for the end of 2007, it will be able to produce up to 10 million passports annually.

The centralization of passport book personalization frees up space and personnel at our existing passport agencies so that they can focus on the critical areas of customer service and adjudication, and process more passport applications. The agencies that have begun remote issuance are already reporting significantly improved efficiency.

We are increasing capacity at existing passport agencies, as well. Expansions are in the works for the Seattle, Miami, Boston, and Washington agencies, and we will be acquiring additional space for the National Passport Center to expand its operations and add redundancy to the passport system. We hope to complete these renovations and expansions by the end of this year.

Just as important as increased production numbers is the need to maintain the high quality and integrity of the passport process. As we bring on large numbers of new staff, we are making provisions to continue to provide them with excellent training. We have secured space to establish a Western Consular Training Center to be co-located with our Colorado Passport Agency in Denver. With the large numbers of new employees we expect to hire over the next two years and the need for ongoing training of current employees, we need to have more than one training site.

Conclusion

Mr. Chairman, the world of U.S. passport production has changed fundamentally. The Bureau of Consular Affairs has changed with it. We are committed to meeting the American public's demand for reliable, secure travel documents. We are committed to achieving for our nation the security and efficiency benefits of WHTI. And we will continue to work tirelessly to improve the efficiency, transparency, and integrity of the passport process.

We appreciate the support and understanding we have gotten from you and your staffs as we work to meet new challenges. We hear from you regularly – and we have heard your message. We have and we must continue to work hand in hand to resolve specific cases, but also to chart a course for the future that will give the American public faith in our ability to deliver. We look forward to working together with you to achieve our shared purpose to help American citizens to travel, while guaranteeing the security of our nation.

I thank you for this opportunity to discuss the current situation with regard to U.S. passports and what we doing to meet unprecedented demand. I am happy to answer any questions you may have.

