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S. HRG. 110–177

THE PASSPORT BACKLOG AND THE STATE DEPARTMENT'S RESPONSE TO THE WESTERN HEMISPHERE TRAVEL INITIATIVE

HEARING

BEFORE THE

SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND ORGANIZATIONS, DEMOCRACY AND HUMAN RIGHTS

OF THE

COMMITTEE ON FOREIGN RELATIONS
UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

JUNE 19, 2007

Printed for the use of the Committee on Foreign Relations

Available via the World Wide Web: http://www.gpoaccess.gov/congress/index.html

U.S. GOVERNMENT PRINTING OFFICE

38–747 PDF WASHINGTON : 2007

For sale by the Superintendent of Documents, U.S. Government Printing Office
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THE PASSPORT BACKLOG AND THE STATE DEPARTMENT'S RESPONSE TO THE WESTERN HEMISPHERE TRAVEL INITIATIVE

TUESDAY, JUNE 19, 2007

U.S. SENATE,
SUBCOMMITTEE ON INTERNATIONAL OPERATIONS AND ORGANIZATIONS, DEMOCRACY, AND HUMAN RIGHTS,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:33 p.m. in room SD–419, Dirksen Senate Office Building, Hon. Bill Nelson (chairman of the subcommittee) presiding.

Present: Senators Bill Nelson, Feingold, Menendez, Webb, Lugar, Coleman, Voinovich, Murkowski, Isakson, and Vitter.

OPENING STATEMENT OF HON. BILL NELSON, U.S. SENATOR FROM FLORIDA

Senator BILL NELSON. Good afternoon. It seems like there is a little bit of interest here in the subject matter of this hearing. And, indeed, it is something that has caused a great deal of consternation.

Madam Assistant Secretary, I appreciate your willingness to come here today so that we can talk about what went wrong, how to get it fixed, and how it won't happen again. There's this huge backlog of passports. Some people have been waiting as long as 5 months for a passport. It's estimated there is a backlog of upward of 2 million passport applications. We've got to get this straightened out.

We have the implementation of a new, good, policy, the Western Hemisphere Travel Initiative. It protects our borders, but it also protects American citizens while they are traveling away from home. But the processing delays are causing hardships, and because of that we've had to suspend the Western Hemisphere Travel Initiative. And what does that do? That doesn't make us secure, as the Western Hemisphere Travel Initiative intended. That law was passed at the end of 2004, and the State Department has had over 2 years to plan for, and implement, the new policy of requiring passports for traveling to Canada, to Mexico, and to the Caribbean.

Madam Ambassador, you're going to find that there's a good deal of frustration that will be expressed here, because millions of Americans, in their frustration at not getting a passport, have turned only where they know where to turn, and that is to their Senator or to their Congressman. I can tell you that our offices are

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absolutely overwhelmed. But I want to tell you also that, thank goodness, you've got a bunch of dedicated people working on the line, working their little fingers to the bone, trying to process these passport applications. And so, I cannot say enough good things about what people on the line at the Department of State have been doing in cooperating with the staffs of the Members of Congress and the Members of the Senate in trying to bring about some relief for some of these folks.

So, I want it nailed down right here that the State Department people who are down there in the trenches working are working as hard as they can. What we want to focus on is the managers. Why has this problem been mismanaged? Why do we have these frustrations and delays?

Here's just a sampling from three people I met with yesterday in Tampa:

A single mom whose son was in an automobile accident in Panama. His two buddies were killed, and he was seriously injured and went through two surgeries. She's having difficulty getting a passport so she can get to him to take care of him.

A civic-minded couple that are raising money for cancer, and part of that fundraiser was that they were climbing Mount Kilimanjaro, and, of course, they got caught in the backlog, too, and they wouldn't have gotten their passport, had they not called us.

A dedicated father trying to make sure that his daughter, who had been training in Orlando, can join the U.S. Olympic softball team in Europe.

And then, of course, we have the problem of families that the passport application has been in for a month for the children, and the parents have to decide whether or not they have to leave the children behind because they can't get the passport.

In the backlog of 2 million passport applications, many of those travelers have had to cancel their trips. And they've been planning months in advance. They've paid all the money out in advance. In some cases, they have nonrefundable tickets. They go about paying the extra 60 bucks to expedite things, and that doesn't do any good. And so, you have a mess.

At the post office that I went to yesterday in Tampa, the Post Office Department has issued this press guidance so that all the people coming in there to apply for a passport, that there is a policy on refunds for expedited passport applications. This says the Department of State deeply regrets any inconvenience caused to travelers whose passports were not available in time for their planned travel. Travelers who have paid their $60 fee and have a reason to believe that they didn't get the expedited service should issue a written statement to the Department of State. Why don't we just change that policy? Why should they have to apply to get it back? Since there hasn't been any expedited service, why don't we just automatically start sending those folks their $60 back, instead of Senator Lugar and Senator Vitter and I having to pass something in law that says that you have to give it back? Why doesn't the Department of State just do that, as a matter of policy, instead of having them have to go through more paperwork hassle to get their 60 bucks back? Which, oh, by the way, $97 for a passport, plus 60 bucks, that's 157 bucks. For a family of four, that's

over $600. That's getting pretty sporty, and, in and of itself, will cause a problem of people being able to travel.

The jam began when the Western Hemisphere Travel Initiative, which was a recommendation by the 9/11 Commission, went into effect. And last January the rules were that you had to have a passport to go to Mexico, Canada, or the Caribbean. The current turnaround time now is in the range of 10 to 12 weeks, and normally it would be 4 to 6 weeks. Half a million applications have been in the system for more than 3 months. And now, in order to reduce the backlog for the summer travel, the Department is temporarily scaling back implementation of that initiative until September 30, saying that you don't have to produce the passport to travel in those three areas in the Western Hemisphere if you can show that you have applied for the passport. But what happened to the policy, 2½ years ago, that said we're going to make America more secure by requiring a passport in the first place?

Yesterday, I met a 78-year-old widow—she was told, even after we got into the situation, we were going to have to send her to the passport office in Miami—she lives in Tampa—which, when she left me, yesterday at about noontime, she was driving to—from Tampa to Miami. Initially, she was told that she was going to have to get in the line at 4 o'clock in the morning on the street in Miami, FL. We raised such a ruckus, that a 78-year-old widow would be required to do this, that finally the Department said, "We will schedule an appointment for her at 8 o'clock in the morning." This isn't the way to do business.

This subcommittee hopes that you're going to be able to address the State Department's response to the Western Hemisphere Initiative, and, out of our discussion, what we want you to do is to answer, that, if you knew in November that you had received 250,000 more applications than originally projected, and then, in January, knew that the problem had grown to 600,000 above your estimates, then why did it take the Department so long to act? Now, I understand, Madam Secretary, that you're one of the best in the business, that you are a career Foreign Service officer who has a magnificent record.

And so, this isn't directed at you, personally. But I want to know who is accountable—because when I was in the military, I was taught that the captain of the ship was accountable and responsible for everything that happened on the ship—and that document, right there, my passport—and I open it up, and who is the captain of the ship? It says the Secretary of State of the United States of America. So, we want to know who's accountable and why this mess has happened.

And we also want to know, to what extent the State Department feels that the private contractor is responsible for this. And why, with a 20-year service of a private contractor, did you suddenly change to a new private contractor? And how do you answer, when you say it's the private contractor's fault, that the private contractor says, "No, it isn't, it's the State Department's fault"?

So, what is the State Department going to do to remedy the problem? As you can see by the turnout here, there's frustration, because every one of us is inundated on people—these cries of anguish that are coming.

We'd like to know, also, how many have applied using the $60 fee. Is that 100,000? Is it a million? If it's a million, my goodness, you've suddenly got $60 million. And what are we going to do to get that money back to them? And then, what are you going to do to make sure that the backlog does not continue?

And already we have—and we're just talking about air travel in the Western Hemisphere Initiative—we have already put off the land and the sea travel requirement of a passport, and now, over on the House side, in the Appropriations Committee, they've already gone through the drill of delaying that from January 2008 all the way to June 2009. Now, how does that serve the interest of the United States in protecting the homeland, which was the original intention of the 9/11 Commission?

And I say, again, to you, Madam Secretary, you are the best in the business. You are a career Foreign Service officer. You're reputation precedes you. I'm not picking on you. You're the courageous one that came here to give answers to these questions. But the emotion in my voice is being expressed for all of these here, and all of those out there that are not at this hearing, that are desperately looking for answers.

So, let me turn to Senator Vitter.

And, Senator Lugar, did you have an opening statement that you wanted to make?

Senator LUGAR. Mr. Chairman, I did, but I—in the expediency of time, I'll ask for it to be in the record in this proceeding.

Senator BILL NELSON. OK, without objection.

[The prepared statement of Senator Lugar follows:]

PREPARED STATEMENT OF HON. RICHARD G. LUGAR, U.S. SENATOR FROM INDIANA

I join in welcoming Assistant Secretary Harty to the committee. I am hopeful that our inquiry today will illuminate the problems experienced by many Americans who are attempting to secure their passports for important travel. Congress should be working closely with the State Department to reduce processing times, improve information for passport customers, and ensure that emergency cases are addressed.

With a change in law occurring on January 23, 2007, thousands of Americans followed new rules and sought a passport for travel in the Western Hemisphere. However, their honest efforts ran into a bureaucratic system unable to handle the vastly increased demand. In many cases, processing times tripled from past years. This has led to a wave of desperate travelers appealing to congressional offices for help in salvaging vacations, business trips, and other travel.

Passport inquires are now the No. 1 casework concern in my Indiana offices by a wide margin. I anticipate that this is true for most Senate offices. In recent months, I increased the number of staffers dealing with passports from one to seven and instituted e-mail and Web site features to help process requests and disseminate information.

Although inquiries by my office to Passport Agency personnel and contractors have been treated courteously and pleasantly, the information provided to constituents and my staff was often erroneous or unhelpful. Constituents have been told that their passports were on the way only to find out days later that no meaningful progress had been made toward processing them. Other constituents reported that regardless of what time of day they called the Passport Agency, they were unable to connect with agency personnel about their application. The passport office in New Orleans, to which Indiana passport applications are sent, clearly is inadequately staffed.

As a last-ditch option, my staff has guided Hoosiers who were set to depart within 48 hours to the Chicago Passport Agency. There, after a long drive, they could undertake the burdensome task of waiting in a line that stretched around the building, working their way through security, and then reapplying for their passport. For constituents who were not born in Indiana, or even the United States, and who had already sent in their only birth certificate with their original application, this option

proved especially difficult. Some constituents were forced to pay the passport application fee a second time when they appeared in Chicago. Enduring this process, just hours before an overseas departure caused enormous anxiety for countless travelers.

On June 6, I wrote to Secretary Rice to share the passport experiences of Hoosiers and appeal for urgent efforts to fix the system. I appreciate the administration's decision on June 8 to allow U.S. citizens traveling to Canada, Mexico, the Caribbean, and Bermuda to enter and depart from the United States by air with a government-issued photo identification and proof of application for a passport. This temporary fix lasts through September 30, 2007.

In my letter to Secretary Rice, I indicated that the State Department should not be reticent to ask Congress for whatever additional resources are necessary to make the passport process run smoothly. We want a first-class passport system that meets our security needs while facilitating the travel of Americans. This travel is essential to our foreign policy, our economy, and the cultural and educational life of our citizens.

I thank the chairman and look forward to our discussion.

Senator BILL NELSON. Senator Vitter.

OPENING STATEMENT OF HON. DAVID VITTER, U.S. SENATOR FROM LOUISIANA

Senator VITTER. Thank you, Mr. Chairman, for holding this hearing, because I certainly join you and everyone else in expressing how serious a crisis this is.

All of us hear about these horror stories from our constituents, literally daily now. And so, I want to underscore how serious a crisis this is, and add my voice to the extreme concern about it.

I really don't know where to begin; but certainly, again, I think all of us hear these stories directly from constituents. In my case, I have some who applied for their passports in March for a June trip with their church, and, despite thinking ahead and planning ahead, they were still forced to pay extra for expedited service in May, and they still had to drive to the FedEx depot the day before the trip to get the passports before leaving the country.

Another constituent, who made a 7-hour drive from her hometown to New Orleans, where there was a passport office, stood in line for several more hours, drove 7 more hours back the day before her wedding so she didn't have to skip a honeymoon.

And these are the success stories.

Then there are plenty of failure stories that we hear all the time, constituents who spend hours waiting on hold, only to have the call dropped before ever speaking to a real person. My staff could not get through, themselves, for guidance or help, even on those lines dedicated to congressional staff. So, lines dedicated for congressional staff, my staff regularly couldn't get through.

My staff talked to folks who, when they did get through to a real person, frequently were unable to help, unable to provide answers, unable to give any hope to those trying to get a passport to see family, attend a wedding, or go on a very long-awaited vacation.

So, this is really inexcusable. My questions are probably the same as anybody's.

No. 1: How could the Department and the contractors be so off on forecasting demand? I mean, I assume travel within the hemisphere has not increased 1,000 percent overnight unexpectedly. I assume it's been a steady growth and nothing dramatic has changed in the last year, so how could we be so completely off on the forecast?

No. 2: How could we be so slow in responding to increased numbers once they were actually coming in?

And I also want to put this in a broader context. I'm very concerned, because it's, yet again, another story of the complete failure of competence in government, and ineptness. And I have real concern, when we're living through this, and yet, you know, we're talking about still implementing the part of the program with regard to land and sea entries that's expected to involve four times the number of passports as we have in this current situation. We're talking about this when we're debating an immigration bill. I know this wouldn't be your bailiwick, per se, in terms of administration. We're debating an immigration bill that would require all sorts of IDs and new visas for millions of additional people, including 12 million illegal immigrants in the country. This is just another example of ineptness that absolutely destroys Americans'—including mine—confidence in the Federal Government doing anything right and competently. And yet, we're—some of us, not my vote—but some of us are forging into, you know, experiments in legislation that would require agencies—in the immigration case, Homeland Security—to do things on a scale way beyond this by hundreds or thousands of times over. So, I'm really very concerned, and certainly want some immediate solution to the passport backlog, because this is an immediate and ongoing crisis.

Thank you, again, for being here, and for being subjected to all these questions on behalf of your Department.

Senator BILL NELSON. And thank you for being the designated hitter. Maybe we should haul up some of your other colleagues, but we'll wait and hear, on the basis of your testimony.

Your written statement is entered as part of the record. We don't want you to read it to us. We want you just to talk to us, and then we'll get into our questions.

So, Madam Secretary.

STATEMENT OF HON. MAURA HARTY, ASSISTANT SECRETARY FOR CONSULAR AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC

Ambassador HARTY. Thank you so much, Mr. Chairman, Ranking Member Vitter, distinguished members of the subcommittee.

I do thank you for your comments. I have a slightly shorter statement that I will put in for the record.

Senator BILL NELSON. OK, but don't read it. Talk to us.

Ambassador HARTY. I certainly will talk to you, sir.

I would also like to, in all candor, identify myself as the captain of this ship, with respect to the Bureau of Consular Affairs. And it is, in fact, our responsibility. We are charged with adjudicating passports. It's the most valuable document on the planet. We're responsible for adjudicating it in a way that makes it a process accessible to all Americans, and also in a way that makes sure that all—and only all—Americans who should have a passport get them. That is, we have a security element here. The adjudication of who receives a passport is a critical element of what we do.

Demand is, as both of you—as all of you, I think, in the room know, know at this time—is at unprecedented levels, and so is the number of passports that we are, in fact, producing. In fiscal year

2005, we produced 10.1 million passports. Last year, we did 12.1 million passports. As of May 31 of this year, we've already done 10.3 million passports, a 33-percent increase over the same period the year before, and we're on pace right now to issue over 17 million by the end of this fiscal year.

Sir, we regard ourselves as a service organization in the Bureau of Consular Affairs, and we set high standards for ourselves. It's what the American people expect, and, in fact, of course, deserve, of us. Throughout our history as an organization, we have, with rare exceptions, met those standards of service, and we are taking steps now to ensure that we do so just as soon as possible again. No one, Mr. Chairman, is more aware that over the past several months many travelers who have applied for a passport have not received that document in the timeframe that they expected, and, in some cases, have missed their trips. I deeply regret that, personally and professionally, and regard the current situation as untenable.

So, with your permission, sir, I'd like to brief you on the current situation, in what we are doing now, what we will do over the longer term, to turn turnaround times around again.

When Congress passed the Intelligence Reform and Terrorism Prevention Act, in December 2004, which established the travel documentation requirements that the Western Hemisphere Travel Initiative implements, we analyzed our figures. We also commissioned an independent study, which led us to predict that we would receive approximately 16.2 million passport applications in 2007. We ramped up capacity against that prediction. We hired 441 employees in passport services in fiscal year 2005, another 925 in fiscal year 2006, over 1,200, thus far, in 2007, a total of 2,588 in less than 3 years. I think we know that bureaucracy is not the most agile, and we have tried our best to be as agile as we could be. These figures, of course, represent both adjudicators—passport specialists—as well as contractors who perform the nonadjuducative functions, things that are not inherently governmental. I should point out that during this time we've also had significant attrition.

Also, to get at this demand, we opened another passport agency in Colorado in October 2005. We expanded our footprint in Houston, in Chicago, in New Orleans, in Boston, and in Seattle. We made them as big as we could in the parameters that we faced. Our National Passport Center, up in Portsmouth, New Hampshire, went to 24/7 operations. Our mega center in Charleston is doing the same thing. We added shifts at most other agencies, and made the days extensive. Last week, we cut the ribbon, as you might have heard, on our new mega processing facility in Arkansas. We have been, Mr. Chairman, in perpetual forward motion since the passage of the law which created the new requirement.

We had a significant setback. Hurricane Katrina had an impact on our operations. Before Katrina, our New Orleans Passport Agency processed approximately 20 percent of all of our overall workload. And in preparation for the WHTI, we planned to increase that to 25 percent, a quarter of our workload. Following Katrina, the New Orleans agency, which was out of commission for about 5 months and reopened in February 2006, reopened with a capacity that was significantly reduced. So, right now, the good people in

New Orleans at our agency are working hard, but they're processing 10 percent of the demand. We had counted on them for more. They have a lot of heart, and I thank you for the things you've said about them, because, only earlier today, I got an e-mail from a woman who said, "Today is my 30-year anniversary working for Passport Services in New Orleans, and I want to thank you for the privilege." So, we have people with plenty of heart out there. I thank you for what you said, Mr. Chairman.

We projected we would receive 16.2 million applications in the course of FY07, but we are on pace to receive at least 1½ million more than that.

One of the things that we failed to predict was how quickly American citizens would choose to apply for a passport in recognition of the new law. A recordsetting, unprecedented demand in a compressed period of time really was the root of the immediate challenge. Applications increased dramatically in a very short timeframe. Just to give you an idea, in December of last year, before the requirement was in place, we received 1 million applications. Then demand spiked sharply; in part, because we actually tried to advertise the Western Hemisphere Travel Initiative. So, in January, we saw 1.8 million applications; in February, another 1.7 million; in March, 1.997 million—5.4 million applications in a very short period of time. Again, I think part of that was our extensive outreach to make sure that American citizens knew about the new requirement.

But I think there's more to it than that, sir, in all candor, and it's hard for us to put a number against this. American citizens, due to our outreach, and, I think, in fact, due to a lot of the media coverage of this new requirement, have applied for passports in droves, and it is not always because they mean to travel. American citizens have realized this is the premier document on the planet, but also in this country, to make sure that, when they apply for a Federal benefit, they can prove who they are and that they're an American citizen. If they apply for a job, they can prove who they are and that they're a U.S. citizen. I had one of my colleagues pull a box of 200 applications for me yesterday just to look, because we ask, on each application: Where are you going, and when are you going? Out of 200 applications, 20 had travel plans. Twenty out of 200. I did this 3 weeks ago. It was only a box of 60 at that point. Out of that box, four said they had immediate travel plans or travel plans at all. Hard to quantify, no excuse, but it is a new phenomenon.

I think one of the things that happened when this law was passed and when we began to advertise it is, we heard—we asked Americans to change their behavior, to begin to think differently, not only about a border crossing, but to think about the importance of a passport in other ways. I took a trip not so long ago, sir, from Washington, DC, to Arizona. A number of people on that flight—and I'm sure you see it, yourselves, when you travel—used a passport, even for domestic travel, to prove they are who they say they are, and that they are, in fact, American citizens.

As a result of all of this demand, sir, receipts far exceeded, as you know and have quantified, our ability to keep pace with them in the traditional timeframe. It began to take longer to process ap-

plications. It moved to 10 to 12 weeks, where it is right now. We have updated, regularly, our Web site, on that subject. We've done a number of other things. We worked with our call center and our lockbox facilities at the highest levels, to ramp up capacity. We built an overflow call center at our Kentucky Consular Center, and put 100 people on the line right away. We built another one here at the State Department. All agencies are working extended hours, weekends and evenings. We stood up another task force at the State Department itself to adjudicate applications. That's people who are working their day jobs, and then coming at night and on weekends, and others not doing their day jobs, and we've done 80,000, just here at the State Department, in the task force that we set up.

We implemented mandatory overtime. We suspended, for the time being, all noncritical training for existing employees. We are continuing to hire aggressively. We dispatched teams of passport specialists to the exceptionally high counter-volume agencies, so that they could assist with the walk-in applications that we had. We also accelerated plans for expansion of new facilities to accommodate the increased staff.

As a result of these efforts, even as we are receiving higher numbers of applications, we're issuing record numbers of documents, an average of 1.5 million per month, 1.6 million in May.

We know that the great majority of people who apply for passports are getting them in time to travel. We recognize that's not good enough. We recognize that we have to do better than that for everybody who applies for a passport.

In light of the current situation, sir, Secretaries Rice and Chertoff agreed that DHS would use its existing authority to exercise flexibility in determining the documentation required of American citizens to enter and depart the United States during the transition phase of the WHTI air rule. So, until September 30 of this year, Americans traveling to Canada, to Mexico, to Bermuda, and to countries in the Caribbean, who have applied for, but not yet received, their passports, can reenter the United States by air with a Government-issued photo ID, as well as the Department of State official proof of application, which they can pull off of our Web site. Since we made that announcement, 371,000 Americans have availed themselves of that particular page, so they are, in fact, using this.

Since we announced that policy, on June 8, we've conducted numerous briefings, public outreach activities to inform the public, and DHS has done the same with the airlines. Our embassies have worked extensively with the countries in question so that we see that—Mexico, Canada, the Bahamas, Aruba, the Dominican Republic, and Jamaica, all have agreed to accept this, and these are countries of—largest receiving countries for American tourist travel. All have agreed to accept this flexible transitional phase that we are going through now. So, people are beginning to make their trips.

And, while we will, of course, process to completion all of the applications on hand, this particular approach took a little bit of pressure off, and it allows us to reach in and get to the passport applications of those who still need the passport. If you needed it yesterday for Mexico, but the flexible approach allows you to take

the trip anyway, I'm going to be able to reach in much more readily and get the passport application of somebody going to Europe or another part of the world who still needs that passport, even as we speak.

I know that many people have had trouble getting through the line to the National Passport Information Center. It's been a major source of frustration to your constituents, to you all, I'm sure, and certainly to myself, as well.

The Center has increased staff now to nearly 500. They've promised me 800 customer service representatives by early August. They've extended operating hours, and they've added 432 additional high-capacity telephone lines so that they can get to those calls.

Mr. Chairman, it's clear to us that the WHTI implementation means a permanent increase in passport demand. The record-breaking numbers that we have seen are likely not an anomaly. Demand is going to continue to grow. We have another workload study underway now, taking some of the things we've learned, and we will—we have some informal predictions that we will work together through that study so that we can get the best numbers we possibly can. We're looking at approximately 23 million applicants in 2008, and as high as 30 million by 2010. We are committed to building the capacity to meet that demand.

Additional resources are essential. On June 8, we notified Congress that the Department plans to devote an additional nearly $40 million, for FY07, to hire an additional 400 personnel this fiscal year, and to fund the expansion of our National Passport Center in Portsmouth and our Miami passport agency. I have walked the space in Miami. It'll go from 18,000 square feet to 28,000 square feet in a new and better building and in a safer neighborhood. I've looked at some space in Portsmouth, myself, and we are in the GSA fast-track process of looking—or of getting space that will do the trick for us.

We're hiring numbers—numbers of new employees at record pace, and we're seeing—I hope you're seeing, sir, a 100-percent—1,000-percent effort, even—from our people in the field. I think they're terrific. As some staffers have already told us—specifically from your own office, Sherry Davich and Peggy Gustav and Karen Cully—have been terrific, and they have graciously noted the efforts of some of our people to help them, as well.

I think the world of U.S. passport production has changed fundamentally, and, with the passage of the Intelligence Reform and Terrorism Prevention Act and the WHTI, 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. We have committed to working tirelessly to improve the efficiency, the transparency of the passport process, while continuing to ensure the integrity of the process and the physical document itself.

I thank you very much for your patience, for the opportunity to be here today to take your questions, to take your suggestions, to discuss ways forward as we continue to try and help the American traveling public.

Thank you, sir.

[The prepared statement of Ambassador Harty follows:]

PREPARED STATEMENT OF HON. MAURA HARTY, ASSISTANT SECRETARY OF STATE FOR CONSULAR AFFAIRS, DEPARTMENT OF STATE, WASHINGTON, DC

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 timeframe 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 2 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 3 years. These figures include passport adjudicators and contractors who perform critical nonadjudicative 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 Web site, 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 timeframe, 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 6 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 8 weeks' worth of work on hand. We are processing most routine applications within 10 to 12 weeks and expedited applications within 2 to 3 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 Web site 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 reenter 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 printout of the online status check that the traveler can make at www.travel.state.gov. The printout 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 turnaround 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—2 to 3 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 noncritical 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 3 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 e-mail 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 reprogram 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 agen-

cies 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 colocated with our Colorado Passport Agency in Denver. With the large numbers of new employees we expect to hire over the next 2 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 are doing to meet unprecedented demand. I am happy to answer any questions you may have.

Senator BILL NELSON. You didn't say anything about the vendor. Do you want to share that in your remarks?

Ambassador HARTY. I'm sorry, sir, about?

Senator BILL NELSON. The vendor.

Ambassador HARTY. The vendor.

Senator BILL NELSON. The contractor.

Ambassador HARTY. I believe you're referring to the lockbox facility, sir. On a very regular basis, we share with our lockbox facility partners our estimates of where numbers are going. Frankly, we did public relations work and public outreach to make sure that Americans knew about the requirement, and we saw a bump-up, which initially we believed to be simply the lead-up to January 23. It went larger than that. And so, in January we began to realize that there was an issue here that wasn't an anomalous blip for a short period of time.

And so, sir, I went there myself. I've been there a couple of times over the course of my time in this job, but I went there when we realized this. I found a group of people who I have looked in the

eye, who I find are committed, who I have talked to on the phone, who I have badgered, who probably have limited enthusiasm for taking my phone calls. I also found a group of people who worked themselves to the bone. It, like in the Government, isn't always as easy to get good people identified, cleared, trained up. And the clearance is an issue, because we are asking people—vendor, contractor for us, U.S. Federal Government employee—to deal with people's identity documents. We need to know that there is somebody who has a public-trust clearance, who is somebody who we can trust to do this work. And so, yes, they went from a 24-hour turnaround time to something significantly greater than that. But, while they were doing that, I literally watched them build more space, hire more people, figure out, with us, ways we could do this work together and differently, and they are back to that 24-hour turnaround time.

I don't think, sir, I get any style point—for pointing at somebody else. I'm the captain of the ship.

Senator BILL NELSON. OK.

Since we have such a huge turnout here, is it all right that we have a 5-minute round? And I'm going to call on people in the order in which they came, regardless of party.

Madam Secretary, in your comments for the record, you state, "We simply did not anticipate American citizens' willingness to comply so quickly with the new law." If you had over 2 years advanced warning, and if you knew how many people traveled to Canada, Mexico, Bermuda, and the Caribbean—therefore, you would know how many were going to be applying to get a passport under the new Western Hemisphere Travel Initiative—so, how can you say that you didn't have any idea that you were going to have all of these new applications for passports?

Ambassador HARTY. Thank you for the question, sir.

In fact, it is just simply a question of the 3-month period of time. We predicted 16.2 million based on our study with BearingPoint—and BearingPoint, in doing that study, talked to Homeland Security, Commerce, travel and tourism, airlines. We did the same things. We simply did not foresee 5.4 million people applying in 3-months' time.

But, sir, again, I believe I mentioned that we're seeing an incredible number of people who are indicating that they have no travel plans. I think, in some ways, we drummed up business, and more business than we had anticipated.

Senator BILL NELSON. OK, now——

Ambassador HARTY. It was a mistake, sir.

Senator BILL NELSON. I'll accept that. People would like to have this valuable document, because you reminded them about it. That is a valuable document. So—now you know that you're going to have to have X number of people having a passport that didn't have one before. You know what the number is, because you can calculate it as to who traveled within the last 12 months to those areas that are going to require the passport. So, why didn't they, or your vendor, or somebody, have that anticipation of the surge?

Ambassador HARTY. Sir, it was a miscalculation on the size of the surge.

Senator BILL NELSON. OK. but who miscalculated?

Ambassador HARTY. I take responsibility for it, sir. We did our best evaluation, based on a report by a company that is trusted and well known. They appeared to do a thorough job. We looked at our own, sort of, historic numbers. We looked at the numbers of people who revalidate their passports. We made a good-faith effort. We came up with 16.2. In fact, it turned out not only to be about a million and a half higher than that, as it appears now, but it was in a very compressed period of time.

Senator BILL NELSON. OK. You accept the responsibility.

Ambassador HARTY. I do, sir.

Senator BILL NELSON. All right. Tell us, what are you going to do about the 60 bucks?

Ambassador HARTY. Sir, you're right that we have an expedite process that took longer than we wanted it to, took longer than ever we meant it to. The expedite process did, in fact, ensure that you went to the front of that queue. Although it took longer than we wanted it to take, expedited passports have moved to the front of the queue all over the system. So, I take your point about the question that you asked in your opening remarks. And so, we will certainly look at that, and I will report back to you—I actually need a little bit of, sort of, help with evaluating the question that you raised earlier, but I will——

Senator BILL NELSON. Well——

Ambassador HARTY [continuing]. Look, and I will get back to you.

[The written information from the State Department follows:]

Due to unprecedented demand, some U.S. citizens who applied for passports on an expedited basis by paying a $60 fee over and above the normal passport fee, did not receive their passport in the timeframe in which they expected to have it. After we examined several options to determine when and if to provide refunds for certain expedited applications, the Department determined that the most effective policy would be to continue to have applicants apply for refunds when they have reason to believe that they did not receive expedited service. The State Department will then address each refund request carefully on a case-by-case basis.

As of July 18, 2007, a total of 3,829,913 expedited passport requests have been received and acted upon in calendar year 2007; our passport agencies and passport centers have issued 2,716,448 expedited passports, 71 percent within 3 business days of receiving the applications. A total of 3,286,751 passports (86 percent) were likely to have been in customers' hands within 3 weeks of them having applied, the period outlined on the State Department Passport Web site.

A total of 543,162 expedited passports out of 3,829,913, approximately 14 percent, were not processed within 3 weeks. Even then, these individuals still received expedited treatment and most had their passports in hand by the date they specifically requested on their application. In the face of unprecedented demand (more than 40 percent increase over last year), those who requested expedited service did receive priority over the millions of other Americans who applied for passports at the same time. The expedited applications were automatically given a higher priority in the queue; these individuals received much faster service than the applicant who did not pay for expedited service and whose wait climbed at one point to 12 weeks. To further ensure expedited service, the Department has been paying for expedited passports to be mailed via FedEx and has not, unlike past practice, asked customers to cover this additional cost.

In reaching the conclusion to refund on a case-by-case basis, there were several options.

The first would be to issue no refunds at all given the unprecedented demand. This option did not merit consideration.

The second would have been to refund the fee paid by every applicant who requested expedited passport service, regardless of how fast the requester received the passport. We do not believe that providing a blanket refund automatically to all applicants would be either appropriate or equitable.

A third option is to provide refunds to applicants who did not receive their passports by the date they requested on their application. The Passport staff was con-

stantly resorting and queuing applicants in order to provide those with the greatest/earliest need, the fastest service. Thus, while some applications were not processed within 3 days, the passport was still received prior to the date the applicant requested.

A fourth option could be to have those who paid the fee and believe they did not receive expedited service request a refund. Our Web site already contains instructions on how to apply for a refund via e-mail. We will review each request thoroughly and provide timely refunds to those who meet the requirements.

Senator BILL NELSON. Well, this was handed out in your name yesterday.

Ambassador HARTY. Yes, sir.

Senator BILL NELSON. And it says you have to apply for the refund.

Ambassador HARTY. Uh-huh. Uh-huh.

Senator BILL NELSON. Why——

Ambassador HARTY. That is——

Senator BILL NELSON [continuing]. Why put that additional burden on them?

Ambassador HARTY [continuing]. That is the process we have had in place for years, sir. We do expedite, and have done expedite refunds for a number of years. I just flatout don't know if there is a—I don't want to misspeak at all today—I don't know if there is some legal requirement for somebody to come to me before I give them money back that's gone into the Federal Treasury. We will——

Senator BILL NELSON. Does that——

Ambassador HARTY [continuing]. Look, sir.

Senator BILL NELSON. Does that 60 bucks go into the Treasury, or does it go into the State Department?

Ambassador HARTY. The 60 bucks, the expedite fees, goes to the State Department. Out of a $97 passport application, $18 of that goes to the Bureau of Consular Affairs.

Senator BILL NELSON. You know what a cynic would say. A cynic would say that that's an additional way for you to raise money.

Ambassador HARTY. A cynic would say it, sir. But I hope that if I leave you with nothing else today, I leave you with a sense that there's nothing cynical in our desire to be the best public servants we can be.

Senator BILL NELSON. Well, think about getting that money back to people, because they have paid for a service——

Ambassador HARTY. Understood, sir.

Senator BILL NELSON [continuing]. They have not received, so they shouldn't have to apply to get the money back.

All right. Senator Lugar, the ranking member and the immediate past-chairman of this committee.

Senator LUGAR. Thank you very much, Mr. Chairman.

What is the current status of affairs today? What is the current workload for passport offices, are they up to date?

Ambassador HARTY. Sir, there is always an ample amount of work in the system, throughout the system. Every month, for instance, as 1.5 million go out, a certain number come in. Right now, we've got just under 3 million passports in the process of being adjudicated and shipped out to people. We will send out passports every day. We will get more in every day. So, it's just under 3 million in the system now.

We are also just entering what is historically, sort of, the low season. And so, we are hiring an awful lot of additional personel—hired some already, continue to hire, we hope, 400 more before the end of this fiscal year. With us entering the low season and us hiring more people, with our continuing with the expanded hours, with our continuing with the tremendous amount of overtime work that is being done, with our hiring retired employees, with our hiring retired civil service and Foreign Service employees, we're whacking down that inventory, if you will, that workload in progress, just as quickly as we can.

Senator LUGAR. But in terms of emergencies——

Ambassador HARTY. Oh, expedite passports——

Senator LUGAR [continuing]. People with weddings and what have you, are they getting what they need——

Ambassador HARTY. Yes, sir.

Senator BILL NELSON [continuing]. Rapidly enough to get to the wedding?

Ambassador HARTY. Yes, sir. I think we have noticed an extraordinary dropoff in the number of calls to our call center, almost no e-mails on the congressional front at all to our call center. Our office here on the Hill reports to me today it was just a sort of a normal day, as if WHTI were not the subject of conversation every day. We feel very confident that, with the addition of all of the new lines at the National Passport Information Center, that people are getting through. I call it, myself, every day. I don't have a special number, myself. I need to make sure it's working. It was never our intention to make any of your staffs part of this process. But every time that you, in fact, send us one, we work very, very hard to make sure that happens. So, I'd certainly welcome those continued cases of concern that you have so we can reach into those cases and get them done as——

Senator LUGAR. So, essentially, that's likely to be the case until September or so? And now, what happens in September? What happens then?

Ambassador HARTY. With what I just described, sir, I think that we will see us, by the end of September, get back to approximately an 8-week turnaround—2 to 3 weeks for expedite cases, 8 weeks for regular cases—and we will continue hiring, training, bringing people onboard into the system, so that we hope to get back to 6 weeks by year's end.

Senator LUGAR. Now, there was some criticism the other day from somebody in the Department of Homeland Security that said what you're doing is a bad idea, that American security is jeopardized by all of this. Many of us in Congress are saying, "Now, hang on here, here, this is all one government, the United States Government." My own impatience with that particular person is profound, but let me just ask the situation this way. Was it a good idea for the Congress to pass such a law, to begin with, requiring all of these passports, visas, and so forth? What is your judgment, as somebody dealing with national security for many, many years——

Ambassador HARTY. Yes.

Senator LUGAR [continuing]. Through this, what—was this necessary?

Ambassador HARTY. I think it's absolutely a good idea, sir. I don't want to refer to the comments of a colleague from DHS, but what I would like to say is that you all looked, and you realized that it is an untenable situation when an inspector at a port of entry can look at as many as 8—can be required to look at as many as 8,000 different kinds of documents to judge whether or not somebody is, in fact, a U.S. citizen. I've said many times before that before the passage of this law, somebody like me could take a trip to the Caribbean, and, on the strength of my Staten Island accent and my Gold's Gym card, talk my way back into America. And you rightly realized that wasn't the way to do business anymore, it isn't the way to do business anymore, that we are in a transition period now. Where, before January 23 of this year, what I just described was the case, and is now transitioning to a time where that will not be the case, is, in fact, the right thing to do. I regret that the transition has been as rocky as it has been so far.

Senator LUGAR. Thank you.

Ambassador HARTY. Thank you, sir.

Senator BILL NELSON. Senator Coleman.

Senator COLEMAN. Thank you, Mr. Chairman.

First, I want to—with all the frustration—we've had lots of it, and we've had meetings. Ann Barrett runs passport operations. She's been out to Minnesota, and we've had hearings. And I think I had 1,500 cases in March of people who are just outraged. My colleague, Senator Klobuchar, had over 1,000 cases. With that, I do want to compliment your staff, they have been very helpful. They have—we've got passports delivered on Saturday night and Sunday afternoon and——

Ambassador HARTY. Thank you, sir.

Senator COLEMAN. So, with that, great frustration.

But let me get to the frustration, and then look to the future. I'd just—one of my frustrations is—Secretary Chertoff came before our committee—actually, the Homeland Security Committee that I sit upon—in mid-February, and talked about the system being flawless. Now, your testimony is saying you noticed things in January. At least in mid-February, Homeland Security was telling us that the system was flawless, they—the bottom was falling out—just about to fall out. And I expressed my concern to the Secretary about that testimony, the perception that we were left with, which then, let me look to the future.

Clearly, we understand the need for security. Passports are not the only way to secure—to ensure that there is security. Passport cards have been talked about. Secure driver's license is something we've talked about. In Minnesota, the—we have the reality—we're a border State, and we have folks that go fishing back and forth, and we have resorts. Our economies are tied together. This passport requirement was one that was going to have a devastating economic impact, if that was the only path to go.

We have—many of us have been pushing for some alternative procedures. And we've also been pushing to make sure that whatever the procedures are, that they are—have, in fact, been piloted and tested——

Ambassador HARTY. Right.

Senator COLEMAN [continuing]. Before they're required. And we—I've had legislation to that effect. And what we keep getting is pushback—at least from Homeland Security—is saying, "We're going to move forward with the passport, we're going to move forward with this requirement, understanding the security issues and understanding there are alternative means." We now look to the future, and we have land travel, which has been indicated—we'll probably have twice the burden—at least—perhaps up to three or four times as air travel. This cannot be allowed to happen again.

Can you tell me what the Department is doing, in terms of some alternative, secure ID systems that, in fact, are affordable, that, in fact, we know will work, that will ensure that we don't have this disaster as we move perilously close to the next phase of this—without a lot of confidence among this body, among my members, that the system is one that could handle the increased volume that will occur with the land travel?

Ambassador HARTY. Thank you, sir. A couple of quick things.

We are ramping up to look at, from our production purposes, 23 million adjudications in the year ahead, as I detailed earlier. That will very likely, at some point later in the year, include a passport card. We are, in fact, in the procurement process for a passport card right now. That card will be wallet-sized, about half price—half the price of a U.S. passport. And that gets to just exactly the people you described, the family who goes to grocery shop in one country and watch their son play soccer or their daughter play baseball in another country. They don't really think about the border the same way. The card in their pocket or their wallet will help them do that.

Senator COLEMAN. It's hockey, in Minnesota. We——

Ambassador HARTY. Hockey, in Minnesota, OK. [Laughter.]

There are other alternatives that exist right now that perhaps haven't received the play they should—they are not my documents, but DHS's—the NEXUS card, the SENTRI card, the FAST card, all available now. People who use military IDs, merchant marine cards, there are other——

Senator COLEMAN. But NEXUS——

Ambassador HARTY [continuing]. Options available.

Senator COLEMAN. If I may—NEXUS and FAST, you have to have systems in place to read those. We don't have those on the northern border, International Falls, to do that. And commercial travelers use that, but we've got families we're talking about here.

Ambassador HARTY. Yes. I'm just trying to put out some other alternatives for some people, frankly, who might think they need a passport and can do something else, if they want to do that.

You mentioned other alternatives, and I know that it is in the bailiwick of my colleagues at the Department of Homeland Security, but certainly several States are looking at alternatives, a—what I have heard Secretary Chertoff describe as a WHTI-compliant driver's license. I'm not prepared to speak about those parameters, since that really is between Homeland Security and the various States engaged in that process, but I know that is an ongoing conversation that they are having.

Senator COLEMAN. Just one other final comment, in the last 30 seconds I have. I appreciate the expansion of your operations, the

opening of the Colorado office in 2005. We're—in Minnesota, we've got Northwest Airlines. It's the hub center, and their folks have to go to Chicago. I would think a number of my colleagues would look at expanding operations in—you know, there is something between even Chicago and Colorado, and if we could look at that, where you have the hub centers, it would make it a lot easier, when we have these crises, to be able to respond more quickly.

Ambassador HARTY. Certainly, we're looking at expanding, sir, and we'll keep you well briefed on where we go, and why that is.

Senator COLEMAN. Appreciate that.

Ambassador HARTY. Thank you very much.

Senator COLEMAN. Thank you, Madam Secretary.

Ambassador HARTY. Thank you.

Senator COLEMAN. Thank you, Mr. Chairman.

Senator BILL NELSON. Senator Webb.

And at the end of your questions, we will recess. There are two votes in progress, and we should have about 11 minutes left, right now.

Senator WEBB. Thank you, Mr. Chairman.

And, Madam Secretary, welcome.

Ambassador HARTY. Thank you.

Senator WEBB. You know, the three least welcome phrases in Washington are "I saw that article about you on Drudge"——

[Laughter.]

Ambassador HARTY. I missed that one.

Senator WEBB [continuing]. "I saw that picture on YouTube"——

Ambassador HARTY. Yeah.

Senator WEBB [continuing]. And, "Good afternoon, Mr. Chairman." [Laughter.]

But this is really a serious problem——

Ambassador HARTY. Yes.

Senator WEBB [continuing]. And, you know, I compliment the chairman on holding this hearing. We're getting hundreds of calls in my different offices every week on this. You know the horror stories. And, also, as you might imagine, your backlog is feeding our backlog——

Ambassador HARTY. Yes.

Senator WEBB [continuing]. In different sorts of ways. I have a memo that was sent to me from one my offices this morning with some comments on it, and I'd like to get your reaction. I'm not going to read the whole memo, but a couple of things here.

One is, my assistant says, "We're happy to assist people with their travel plans, but we're mindful that this work is taking precious time from folks who need help with very serious and essential needs, such as food, veterans benefits, housing, medical care, medications. While the hotline used by our offices for tracking the progress of a passport is better staffed and answered, we are increasingly receiving, as well, I can see it's been completed, but I can't tell if it was mailed out or sent by FedEx or waiting for a pickup. There's no tracking number on it." It's a recommendation, an interesting suggestion, from one of our staff members that, "It's costing untold amounts of money to send passports out at the last minute by FedEx. Wouldn't it be wiser either to move staffing re-

sources to the fire or hire additional staff?"—which I understand you are hiring additional staff.

And, finally, that—"And this is our great concern as we look toward the—two more critical deadlines, September and January. Do we have a plan in place to effectively manage the volume of passport applications that we will be facing?"

And—appreciate your comments on that.

Ambassador HARTY. Absolutely, sir, thank you. I couldn't agree with you more that we would really rather have your staff not having to deal with someone's travel plans so they could get to a veteran or a mother or somebody who has a particular issue, and maybe even a life-and-death circumstance. That is, in fact, why the first call lines that were installed—the additional call lines—were dedicated, 46 of them, to the congressional staffers.

As the call center has increased, dramatically, the number of people who work there—200 to 500, and on its way to 800—we made probably—in an abundance of haste to get people on the line, we probably didn't make sure that everybody was as thoroughly trained as they should be. So, I've sent more people up there, and I hired back a retired fellow who actually ran the center, famously, not too very long ago. And so, I hope—I'm getting some anecdotal feedback that we're actually doing a better job on the quality of the conversations. And if we're not, please call me, because we are—it's an indicator, it's not a complaint; and if the indicator is I need to get something better done, I want to get it done.

Senator WEBB. What is your goal? Is it 6 weeks?

Ambassador HARTY. Yes.

Senator WEBB. Is that your ultimate goal?

Ambassador HARTY. Yes.

Senator WEBB. Even with the two additional ramp-ups?

Ambassador HARTY. I'm going to get there next, sir.

Senator WEBB. OK.

Ambassador HARTY. You asked something about express mail services——

Senator WEBB. Yes.

Ambassador HARTY [continuing]. Of various kinds. I would love to get to a point where I don't have to do express mail because we're back to 6 weeks, or—we are at 2 to 3 week for expedites right now. But, right now, I don't want somebody missing a trip because the passport comes the day after the flight. So, that's why we're using a lot of express mail services, at this point. We'd like to get that gone, as well.

And, finally, do we have a plan? We are ramping up dramatically through the end of this fiscal year, FY07. We're also looking at hiring a considerable number of people in FY08. I'm still working that a little bit within the State Department itself. I don't expect any issue there. I just don't have so many details for you right now on the budget side of it.

You mentioned January, sir. Over the next several days, State and DHS will be announcing the proposed land border rule, which will demonstrate that we have heard you and have heard your constituents. As a result, that rule, as introduced, will be very flexible. What I'd like to say about that here now is, it's a draft rule, and we welcome your comments, and we welcome the comments of your

constituents, and we want to make the best product that we can make.

Senator WEBB. Good. Thank you.

Thank you, Mr. Chairman.

Senator BILL NELSON. We will stand in recess. There are two votes. There should be about 5 or 6 minutes remaining on the first vote. I will come back right after the second vote commences, and we will pick up with Vitter, Feingold, Voinovich, Isakson, Murkowski, and Menendez.

Thank you.

[Recess.]

Senator BILL NELSON. Good afternoon. The committee will resume its deliberations. And, while we are waiting for the remaining members to come and ask their questions, why don't you share, for the record, the transfer of the responsibilities from Mellon to Citigroup. And why wasn't Citigroup prepared? And then, you've mentioned this other one, BearingPoint, did a survey for you, and they missed the mark on the survey, apparently by a huge amount. Why don't you talk, for the record, so that we can understand where the foulups occurred there.

Ambassador HARTY. Thank you, sir. With your permission, I'll start with BearingPoint.

We, together, came up with a figure of approximately 16.2 million. BearingPoint contributed to that. BearingPoint did a survey for us, discussing, with all of the stakeholders that you might imagine, surveys of travelers—two separate surveys of travelers, Commerce Department data, DHS, the travel and tourism industry. Their survey, plus our historic experiences, together, led us to 16.2. So, while we now believe it will be closer to 17½, I think that we also need to share culpability in coming up with that number. I don't want to put that just on BearingPoint.

With respect to Citi and Mellon, you are absolutely right, Mellon had had the contract for a number of years. Contracts routinely have to be recompeted. It is a contract that is not held by the Department of State, or administered by the Department of State, although, naturally, we have an incredibly avid interest in how that contract works. So, those two banks—those two entities competed, and Citibank came in with a more modern way of doing business and won that contract; again, Treasury Department administered.

We had a transition period from Mellon to Citi, and then Citi took off on its own, in—I believe it was October 2006. So, the—relative newcomers to this game—and we all learned some things out of the last several months. And we will all continue to work together to do better at what we do. That's our obligation and our duty.

Senator BILL NELSON. So, the Treasury Department is the decider on who is awarded that contract?

Ambassador HARTY. Treasury administers that, yes, I guess they would be the decider. But we're sure right in there. I mean, we obviously are the ones who know what kind of service we needed.

Senator BILL NELSON. Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman. And thank you for calling this hearing.

Madam Secretary, I——

Ambassador HARTY. Yes, sir.

Senator MENENDEZ [continuing]. Appreciate your straightforward answers.

Let me just say, as we talk about passports today, I think it's been mentioned by other colleagues that we have to remember this is not about a document or a piece of paper, it is about the lives of people, and Americans. My staff, as well as everybody else's, has been overwhelmed, in New Jersey, by the number of requests that we've had to deal with. And, of course, what that means is that time is taken away from other very critical issues that they face. And because of the nature of the timeliness of the concern, it gets shifted, and that means that other people get put at the end of the line.

And the stories that I've heard from New Jersey include a recent case where newlyweds had to postpone their honeymoon because they had not received their passports. Another New Jersey woman who just about missed her wedding because her passport did not arrive until the day before the ceremony. And still another one of my constituents had to drive 96 miles and wait in line for hours in order to pick up her passport the day before she was set to travel.

So, you know, this has massively caused an enormous consequence to a lot of people in the disruption of their lives; people who follow the rules, pay their hard-earned money to receive a U.S. passport. And, while I appreciate hearing your testimony about the statistics and how, in the first 7 months of fiscal year 2007, the State Department issued 33 percent more passports than in the previous year, the fact of the matter is that the State Department knew—knew—that the demand for U.S. passports would be exponentially higher than in previous years, and they had ample time to prepare for the work-log that would be caused by the new regulations under the Western Hemisphere Travel Initiative.

So, at this point, in my mind, the number of passports the State Department has issued is not as relevant as the number of passports they have not issued, as well as the chaos caused by this bureaucratic mess.

And that, in the midst of the debate we are having on immigration, where, in fact, if the underlying proposal were to become law, we would be in the midst of having the U.S. Citizenship and Immigration Services clear an estimated 4½ million immigrant applications from its current backlog, and an employer verification system that would use a passport as one of the key documents for employment verification. And that means every American in the country going through such a system.

So, I look at all of that, and I am dramatically concerned as to where we're headed, beyond what's happened. I do want to say—I do want to say that I want to commend the employees at the passport agencies who have worked overtime and under very stressful circumstances to help reduce the backlog. And I think everyone would agree that they have been resilient and it's not their fault. So, I want to start there.

But in view of what's already happened, you know, do you really believe that when September rolls along—of 2007—if you're still

facing a significant backlog, what will be your response? And when do you expect to return to what is normal, which is processing times for passports, 4 to 6 weeks, versus the current 10 to 12 weeks? And if you're going to tell me that you're going to meet that target in a relatively short order, why are you confident that you will be able to do so?

Ambassador HARTY. Thank you, sir.

First, I'd like to associate myself with your comments about people's lives and how important it is that we get this done. And I, as I think I mentioned earlier, feel very sincere when I say that even though we have gotten so very many people their passports, that's not good enough; we have to do them all, and we need to do them in a timely fashion to allow people to take the trips that they intend on taking.

With respect to the question that you just asked, I'm watching this every day. I believe that we will get to 8 weeks by the end of September, with expedites in 2 to 3 weeks, and down to 6 weeks by the end of the year. We're going to keep hiring people, we're going to keep training people. We will identify any bump in the road, or impediment, that prevents us from doing what I've just said. And we will continue to brief on the Hill as often as——

Senator MENENDEZ. In September, you believe that the postponement to September is more than enough time to meet the challenges that you presently have?

Ambassador HARTY. I believe that by the end of September, if we are able to hire the extra 400 that we've talked about in the CN that's active right now, that we will have the people onboard to be able to get the wait time down to 8 weeks——

Senator MENENDEZ. But if——

Ambassador HARTY [continuing]. On an average.

Senator MENENDEZ. But if that "if" doesn't become a reality, then you'll slip. If the "if" of hiring the people that you suggest.

Ambassador HARTY. That may be the case, sir, but I'm going to spend all of the time that I have between now and then making sure we do exactly the opposite, that we hire the people, that we get the work out the door.

Senator MENENDEZ. Mr. Chairman, my time has expired.

Ambassador HARTY. Thank you, sir.

Senator BILL NELSON. Senator Voinovich.

Senator VOINOVICH. Thank you, Mr. Chairman.

First of all, I would like to say that my constituent office has had probably the best relationship with the Department of State that we could possibly have with any Federal agency over——

Ambassador HARTY. Thanks.

Senator VOINOVICH [continuing]. Over the years. So I would not like them to feel that we are beating up on them or unhappy with the service that they have given. The problem, as I see it is with management, my key interest. In fact, one of the reasons I had problems with former Ambassador Bolton during his nomination was his management. I think that Colin Powell and Dick Armitage did a good job paying attention to management, making it a top priority, and improving the esprit de corps in the State Department. I was concerned when Bob Zoellick got the deputy job, because I felt he was not enough interested in management. He left

there, as I expected he would. I have also talked with both John Negroponte and Condoleezza Rice about management in the past.

So, concerning the big picture, for those people here representing the State Department, I think somebody better start paying attention to management, because the esprit de corps in the State Department is very low. Many people are retiring that probably would stick around, but they are just throwing up their hands and leaving the place.

That being said, the question I have is—and I have heard some of what you said—I would like to see your strategic plan and your critical path outlining how you intend to resolve this major passport backlog and facilitate the Western Hemisphere Travel Initiative. I'd like to have a written copy of it. You talked about giving citizens flexibility and allowing them to show proof that they had made an application and given their photograph. But a number of Ohioans who have proof of payment for passport applications as far back as March have been inadvertently left out of the database used for passport processing, and thus are unable to obtain the official proof of passport application necessary to comply with revised guidelines.

So, I would like somebody to look into why these applicants are no longer in the database, and get them in the database so that they are taken care of.

But there's a bigger question. You are talking about the people that are going to get passports right now for flying back and forth. I am very active in the United States/Canadian Inter-Parliamentary Group and I have to tell you that they are up in arms about the requirements for traveling back and forth across the border. Word is getting out all over the place that one needs a passport. So, in addition to the ones that traditionally need a passport to fly, there will be an avalanche of people who want these passports by January 1 of next year, because they have been told they must have it to cross the border at all.

Now, we have passed legislation that is going to delay Western Hemisphere Travel Initiative to June 2009. But out on the street, people hear they will need a passport by January 2008, and I would like to find out whether you are anticipating these additional people who think they will need it to get back and forth on land, between the United States and Canada, particularly.

Ambassador HARTY. Thank you, sir, for your question.

With respect to the people who are seeking passports to cross the land border now, I think that we've already seen a considerable amount of that. I think that is, in part, what we—what part of the original bump-up has been, that people simply, out of an abundance of caution, want to do exactly that. And we certainly have also heard from our Canadian counterparts the same consternation that Canadians feel that they need to get passports for the land border right now.

We will, as I mentioned previously, over the next several days—actually, I think maybe even tomorrow—announce the land border rule, and that will demonstrate that we have heard the kinds of concerns you've articulated here, and the kinds of concerns that your constituents have mentioned to us so vigorously, and rightly so.

As a result of hearing those concerns, that announcement will include a flexible approach, and I would just like to underscore, again, how sincere I am when I say that that—that's a notice of a proposed rule that we're very interested in comment and concern in how we can address that and how we can make it better and how we can do this job as best——

Senator VOINOVICH. Let me interrupt you and say that it would be nice, following up on the chairman's comments, if someone would tip off Secretary Chertoff at Homeland Security, who keeps saying the date for passport requirement must be January 1, 2008, because that confuses people. Let us make the message clear that the date will now be June 2009, and we are going to get this legislation passed.

Somebody also ought to check whether the June 2009 deadline is going to be adequate, because DHS still has to develop the technology for REAL ID, and that is still 2 or 3 years away. Someone has to look at this realistically——

Ambassador HARTY. Understood.

Senator VOINOVICH [continuing]. At what you will be able to do. And, as I have already said, I would like to have from you, in writing, how you will handle this. I am also going to request that Senator Akaka hold a hearing in the Oversight of Government Management, Federal Workforce Subcommittee on Homeland Security and what it is going to do.

Senator VOINOVICH. And, Mr. Chairman, last, but not least, I want to submit letters for the record that I have sent to the Secretary of State and Mr. Chertoff. And I expect answers to them.

[The above mentioned letters and a reply letter from the State Department follow:]

U.S. SENATE,
Washington, DC, June 7, 2007.

Hon. CONDOLEEZZA RICE,
Secretary, U.S. Department of State,
Washington, DC.

DEAR SECRETARY RICE: Thank you for the Department's response to my letter of March 27 regarding my concerns with the implementation of the Western Hemisphere Travel Initiative (WHTI). I appreciate your continued efforts to work closely with the Department of Homeland Security on a plan that reflects your commitment to implement WHTI in a manner that facilitates travel, including the timely processing and issuance of passports, and takes into account the needs of border communities without hampering our national security interests.

Despite your personal attention to this issue, I am of the opinion that the State Department has lost control of the situation. My constituents continue to face long processing delays and are increasingly unable to keep their original travel plans. As a result, the daily call volume of Ohioans seeking passport assistance from my office has increased from 76 calls in all of 2006 to nearly 1,000 to date. These statistics are not unique to my office, and will likely continue as frustration builds and more and more travelers, who have dutifully followed State Department guidelines and paid the requisite fees, are prohibited from travel. I offer an example to help illustrate the situation: Last Thursday, my office was informed that passports for a couple were being sent express mail. Only one passport arrived in time for their scheduled departure. In a followup call, my office was informed that the second passport was never sent.

I do not believe the current implementation plan is realistic and have serious concerns regarding how the Department failed to anticipate and prepare for the increased demand. Summer travel is not a new phenomenon. Notwithstanding the Department's use of mandatory overtime and the hiring of additional personnel, it is clear that the existing planning and resources are woefully inadequate.

In the short term, I ask that you work with Secretary Chertoff to adjust your mutual policies to allow acceptance of alternate identification documents until the larger problem can be addressed. Given the sheer volume of American citizens who now or will shortly require either a passport or a passport card, I further recommend that you take a fresh look at the forthcoming regulations and land border implementation plan being developed by the Department of Homeland Security to ensure they represent a feasible approach.

I remain hopeful that we can develop a reasonable solution that allows us to safeguard our borders without negatively impacting legitimate commerce and travel.

Sincerely,

GEORGE V. VOINOVICH,
U.S. Senator.

U.S. SENATE,
Washington, DC, June 13, 2007.

Hon. CONDOLEEZZA RICE,
Secretary, U.S. Department of State,
Washington, DC.

Hon. MICHAEL CHERTOFF,
Secretary, U.S. Department of Homeland Security,
Washington, DC.

DEAR SECRETARIES RICE AND CHERTOFF: After numerous American travelers missed their departure dates, through no fault of their own, I was pleased that the administration made the right decision to make an accommodation to the Western Hemisphere Travel Initiative for air travel. Under the new guidance, it was stated that U.S. citizens traveling to Canada, Mexico, the Caribbean and Bermuda (who have applied for but not yet received passports) can temporarily enter and depart from the United States by air with a government issued-photo identification and official proof of their passport application. Unfortunately, there continue to be a number of challenges and failures in communication that prevent well-intentioned American citizens from embarking on their planned trips. In some cases, it has caused families to arrive at a destination, only to be turned away and sent back home. I am writing to request your immediate attention to making sure that our citizens have accurate and clear information about the new requirements, and that we address the overarching problem as quickly as we can.

I would like to share an example of the confusion that resulted in wasted time and money for an Ohio family. On Saturday, the family of five left the United States via air for the Turks and Caicos. The three children had their passports in hand, and the parents, who were still waiting after 12 weeks, had proper identification and proof of passport application consistent with the recently released guidelines which specifically referenced the Caribbean. Unfortunately, upon arrival in the Turks and Caicos, the family was denied entry, and boarded a return flight to Philadelphia, Pennsylvania. The family mistakenly believed that the revised WHTI guidance superseded any foreign country requirements for entry. Once in Philadelphia, an airline representative escorted the family to Customs and Border Patrol, where agents indicated they were not aware of the new guidance. It is apparent that our own citizens are still unaware that some countries will refuse entry without proper documentation regardless of the most recent accommodations made by the administration. It is imperative that a clear message is sent to the public regarding what this accommodation does and does not mean.

While the issuance of guidance provided relief to thousands of American citizens with impending air departures, new confusion has resulted from poor implementation of this flexibility and the underlying challenge has not been resolved. On a related matter, it appears that a number of Ohioans who have proof of payment for passport application as far back as March have been inadvertently left out of the database used for passport processing, and thus are unable to obtain the official proof of passport application necessary to comply with the revised guidelines. It is unacceptable to me that American citizens who are following guidance continue to be denied entry to countries within the Western Hemisphere.

Moreover, the massive backlog of passport applications has resulted in unacceptable delays, costs, and cancellations extending well beyond Western Hemisphere travel. In one case, a Cleveland-area law enforcement official was invited by the Turkish National Police to serve as an American Ambassador at the Istanbul Conference on Democracy and Global Security. The individual was honored to be invited and have the opportunity to represent our country at the international conference. In fact, our government reached out to him to request that he debrief them after

he attended the conference. He and his wife applied for passports in early March and were advised that they would have their passports in plenty of time to attend the June conference. Three weeks ago, the couple still had not received their passports.

Despite numerous attempts to contact the Passport Agency, they received no reply to their status inquiries or expedited processing requests. When my office was contacted about the situation on June 8, we intervened and learned that while his passport was in process, the Passport Agency had not even begun to process his wife's application after 13 weeks. the only resolution to the situation would have required 450 miles of travel from Cleveland to Chicago, at great expense to the couple, to appear in person at the Chicago Passport Agency. Due to this regrettable fiasco, the law enforcement official was forced to cancel his attendance at the Istanbul Conference. In an ironic twist, his passport arrived by FedEx yesterday morning, just after the couple's flight had been scheduled to depart.

Consistent with my letter of June 7, I would like to know what steps you are taking to ensure that our citizens understand the recently released operational guidance for air travel within the Western Hemisphere. I also look forward to additional information on how you intend to address the need for efficient passport issuance processes and clarification of guidelines that will need to be resolved well in advance of the land border implementation of WHTI. Lastly, I would like to know who is responsible for managing this situation at your respective agencies, particularly given that the position of Under Secretary of State for Management is vacant.

Sincerely,

GEORGE V. VOINOVICH,
U.S. Senator.

U.S. DEPARTMENT OF STATE,
Washington, DC, July 24, 2007.

Hon. GEORGE V. VOINOVICH,
U.S. Senate,
Washington, DC.

DEAR SENATOR VOINOVICH: Thank you for your letters of June 7 and 13 regarding the delays in processing passport applications and the implementation of the temporary measure of June 8, 2007. Please be assured that we are working diligently to resolve the problems associated with the unprecedented demand for passports.

As you know, all U.S. citizens arriving by air since January 23, 2007, have been required to present a valid passport when entering the United States. The Department ramped up capacity—personnel and physical facilities—to meet anticipated increase in demand. We are enclosing a document summarizing the many actions we have taken to date to meet the growth in passport demand. Nevertheless, we are aware that some travelers have not been able to obtain passports before their planned travel because of longer processing times cause by record-setting demand. We are working with our partners at other agencies, congressional offices, and the travel industry to assist travelers who have applied for passports in a timely manner, while still being mindful of our Nation's border security goals.

On June 8, we announced, together with the Department of Homeland Security, that U.S. citizens traveling to Canada, Mexico, the Caribbean and Bermuda who have applied for but not yet received passports can temporarily enter and depart the United States by air with a government-issued photo identification and an official proof of application from the U.S. Department of State through September 30, 2007. 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. Children 16 and under traveling alone should carry a copy of their birth certificate, baptismal record, or a hospital record of birth in the United States as well as the proof of passport application status. Travelers who have not applied for a passport should not expect to be accommodated. U.S. citizens with pending passport applications can obtain proof of application at: http://travel.state.gov.

This accommodation does not affect entry requirements to other countries. Americans traveling to a country that requires passports must still present those documents. Travelers should contact the embassy of the country they are visiting. Contact information is available on the Consular Bureau's Web site, http://travel.state.gov. Travelers may also contact their airline to verify the documents passengers need to board a flight to the country they are visiting.

The joint State-DHS announcement has had a significant impact. Since June 8, hundreds of thousands of users have accessed the Internet site from which proof of a pending passport application can be obtained. We will, of course, process to com-

pletion all applications on hand; but the flexible transition period will allow us to get first to many of those applications where people actually need passports in order to travel. We will continue to work hard to meet the tremendous challenges of this unprecedented passport demand—our goal is to ensure that American citizens have the documents they need for their travel abroad.

We recognize that when we implemented this temporary measure to accommodate the traveling public, we still needed to consult with air carriers and destination countries within the Western Hemisphere. Working diligently with host governments in the Caribbean, Mexico, and Canada, and with the Air Transport Association (ATA) and the International Air Transport Association, we were able to update the foreign entry requirements in their database systems. We took this unusual step in order to provide relief as soon as possible to the traveling public, and we regret that there was some initial confusion and that some travelers were returned to the U.S.

We hope this information is helpful in addressing your concerns. Please feel free to contact us further on this or any matter of concern to you.

Sincerely,

JEFFREY T. BERGNER,
Assistant Secretary,
Legislative Affairs.

U.S. SENATE,
Washington, DC, June 13, 2007.

Hon. DANIEL K. AKAKA,
Chairman, Subcommittee on Oversight of Government Management, Committee on Homeland Security and Governmental Affairs, Hart Senate Office Building, Washington, DC.

DEAR CHAIRMAN AKAKA: I am writing to express my interest in holding a subcommittee hearing to examine the capacity of federal agencies to meet the demand of American citizens needing identification documents in order to comply with recently enacted laws such as the Western Hemisphere Travel Initiative (WHTI) and the REAL ID Act of 2005. Although these laws represent critical elements of our comprehensive efforts to improve homeland security, they place a heavy demand on agencies to develop the infrastructure and human capital necessary to meet the various deadlines for compliance. Based on recent events, question whether agencies are equipped to meet this burden.

Last Thursday, the Departments of Homeland Security and State made the right decision to temporarily suspend the passport requirements for air travel by American citizens under the Western Hemisphere Travel Initiative until September 30, because the State Department was unable to meet the spiraling demand for passports. I remain disturbed that the Department of State failed to anticipate and plan for the demand, despite enactment of the requirement for a more secure Western Hemisphere in 2004. Thousands of American families were forced to cancel their long-anticipated trips before the change in policy was announced, despite having dutifully followed State Department guidelines and paid the requisite fees to obtain passports. The Department of Homeland Security expected to release its regulations for WHTI land border implementation within 2 weeks. With the anticipated deadline for land and sea border compliance approximately 6 months from now, I believe the State Department will find itself in a similar situation unless significant management improvements are made.

During our March 26 hearing to examine the implementation of the REAL ID Act of 2005, I suggested that we invite some of our witnesses, including the Department of Homeland Security, to report to the subcommittee on their progress in developing the requirements and infrastructure necessary for States to issue secure drivers' licenses in less than 11 months. Our government's failure of last week, current preparations for REAL ID, and the looming deadline for WHTI land border compliance raise new questions in my mind about whether or not our agencies have completed the planning necessary to meet the demand for the efficient processing of secure identification documents required by our homeland security laws.

You and I understand the link between good management and operational success. Agencies' ability to meet the current and future challenge of providing well-meaning American citizens with the identification documents necessary to move freely within and across our borders requires greater management focus in the near term. Accordingly, I encourage you to hold a hearing to help ensure our agencies are instituting the policies necessary to meet the unprecedented demand for government-issued identification documents between now and 2013. As ranking member,

I believe it is our responsibility to help ensure agencies develop plans that help facilitate legitimate commerce and travel, including the timely processing and issuance of passports and inquiries for secure drivers' licenses, without hampering our national security interests.

I look forward to your response.

Sincerely,

GEORGE V. VOINOVICH,
Ranking Member, Subcommittee On Oversight of Government Management.

Senator VOINOVICH. Thank you very much.

Ambassador HARTY. Thank you, sir.

Mr. Chairman, may I just answer the Senator's other question about the Ohioans that are not in the database?

When we first did this, we found that there were several cases like that. Not a lot. And I'm sorry if they were your constituents. I'm sorry it happened to anyone. But we did make some fixes very quickly. With your permission, we'll call your office and find out who those people are, so we can make sure we serve them.

Senator VOINOVICH. I'd appreciate that.

Ambassador HARTY. OK.

Senator VOINOVICH. Thank you.

Ambassador HARTY. Thank you.

Senator BILL NELSON. Senator Feingold.

Senator FEINGOLD. Mr. Chairman, first of all, let me thank you for your great leadership on this. This is a very important issue.

And, Assistant Secretary Harty, thank you for appearing before the committee today. This backlog, as I'm sure you've heard from everybody, has affected many of my constituents in Wisconsin, and my staff has worked incredibly long hours without complaint to try to deal with it, and they have tried to make it clear to me just how significant the problem is.

I want to extend my thanks, also——

Ambassador HARTY. Thank you.

Senator FEINGOLD [continuing]. In addition to you, to the employees of your agency who have been working very long hours as a result of the passport backlog. I appreciate their efforts as well.

Now, under these temporary regulations, Americans must produce proof of a pending passport application to travel by air to and from Canada, Mexico, the Caribbean, and Bermuda. According to caseworkers in my State offices, individuals must have their passport application locator number as proof of a pending passport application. I understand from my State offices that many Wisconsinites have become frustrated that no locator number is assigned to applications in the initial phase of processing at the lockbox facility. As a result, when a passport application is delayed in this initial phase of processing, it is, I'm told, virtually impossible for an individual to present the required proof of a pending passport application. This is a problem that is affecting many people in my State. Is this specific to Wisconsin, or is it a national problem? And what steps are being taken to address it?

Ambassador HARTY. I very much appreciate that question, sir, because it gives me a chance to explain again what we try to say so many times. When we introduced this on June 8, we did several things at once. One of them was, we started sending folks a postcard, so somebody who applies for a passport now gets a postcard,

and it says, "Thank you for applying for a passport. We received your application. It's being processed. If you are traveling to Canada, Mexico, the Caribbean, and Bermuda, and need verifiable evidence that you've applied for a passport, here's how you do it. You go to our Web site." So, this passport is going to John Q. Citizen now as they apply for—this postcard is going—now as they apply. I wish I had thought of it sooner.

When you go to travel.state.gov, this is the home page. This is the very first page you see. And in the upper right-hand corner there are four, sort of, little icons you can click. The second one of those says, "Click here for proof of passport application." So, you do that. We ask you to put in your name, your date and place of birth, and your Social Security number. And this page pops up, the U.S. Passport Application Status page. That's what you need. That's the page you print. And that proves that you've got what you need.

So, we were concerned—travel.state.gov is a great Web site. Lots of people use it. It got 219 million page views last year. But nobody was born knowing that that Web site exists. That's why we invented the postcard option, to make sure that we're reaching out to everybody who has said to us—"You've got an application, we want to help you get there." And, while not everybody's as computer savvy as they might be, with this postcard in hand everybody's got a nephew or a niece who can do it for them, if they can't.

Senator FEINGOLD. Another concern I've heard from people in Wisconsin has to do with maintaining the integrity of the security review and vetting process for passport applications. My caseworkers have experienced situations in which passports have been mailed to incorrect addresses in other States. In an effort to reduce the backlog as quickly as possible, what is the State Department doing to ensure that all applications are fully and appropriately vetted?

And are you concerned about an increase in passport fraud as a result of this backlog?

Ambassador HARTY. Every single passport, before it leaves our hands, goes through what we call a quality control check. And so, I regret that any one of them ever goes to an address that it should not go to. It doesn't even make me comfortable to say that when you do 1.5 million anything's—you might make a mistake from time to time, because I wouldn't want to be the one who had the mistake made about them. So, we work very hard to make sure that it doesn't happen, sir, and work very hard to make sure that we ameliorate that situation just as quickly as we can if it does.

With respect to your other question, about a half percent of applications are regularly referred from our adjudicators, from our passport specialists, to fraud prevention managers who look at them and drill down further into those applications. Those that are then found to be suspicious or not what they appear to be are referred to our colleagues in the Bureau of Diplomatic Security for further investigation. We have not seen that number go up appreciatively during this time, it's just about the same ratio that it has always been. So, the real number——

Senator FEINGOLD. So, is there any need or plans to make changes to the security review or adjudication process, in light of the passport backlog?

Ambassador HARTY. No, sir; I don't think that we can, or should, cut corners on the actual adjudication. We really do need to make sure we know who's getting a U.S. passport.

Senator FEINGOLD. So, what—I was asking whether you need to do things to make it stronger.

Ambassador HARTY. Oh. Well, I'm hiring more people, and most of those people are going to be passport specialists, adjudicators, but a bunch of them are also going to be in our fraud prevention program so that we can make ourselves more accessible to all of the passport specialists and adjudicators, but, also, we're going to do a little bit more with the passport acceptance facilities, the over-9,000 offices across the country—post offices, clerks of court—who actually accept passport applications for us. We want to plus-up our ability to do more training with them, because that's a point where we think we could use that kind of extra attention.

Senator FEINGOLD. Do you have any estimates of how many passports have been misprinted or delivered to wrong addresses?

Ambassador HARTY. I don't, sir. I can try and get that for you.

Senator FEINGOLD. Thank you, I'd appreciate that.

And I thank you, Mr. Chairman.

Ambassador HARTY. Thank you, sir.

[The written information from the State Department follows:]

In FY07 to date, less than 1 percent of passports issued were returned for error correction. Passport errors include data entry errors, switched photos, and passports mailed to an incorrect address.

Senator BILL NELSON. Let's get into some specific numbers, for the record.

What were the projections for passport demand following the enactment of the Western Hemisphere Travel Initiative?

Ambassador HARTY. Passport demand projection for FY05 was 10,499,839.

Senator BILL NELSON. And——

Ambassador HARTY. The actual was 10,412,146.

Senator BILL NELSON. The question is, the Western Hemisphere Travel Initiative——

Ambassador HARTY. FY06, then, was—because 12 million—well, yeah, just a little over 12 million, and the actual that year was 12,333,000. FY07——

Senator BILL NELSON. That's total.

Ambassador HARTY. Yes, sir. FY0-——

Senator BILL NELSON. That's total. What about the Western Hemisphere Travel——

Ambassador HARTY. Oh, I'm sorry, excuse me. I'm going to have to get you those numbers.

That's total, and I don't have the specific breakdown. It's inexplicable to me, sir, but I don't have it with me. I apologize.

Senator BILL NELSON. Does any of your staff back there have it?

Ambassador HARTY. I don't know. Do you have——

Senator BILL NELSON. I mean, if that's the main reason for the breakdown——

Ambassador HARTY. For WHTI, yeah.

Sir, I'm going to have to pull it for you out of the system.

Senator BILL NELSON. Well, if that's the main reason for the breakdown, other than just people wanting a new passport——

Ambassador HARTY. I think, certainly a significant part of it is, sir, but I don't think that's all of it. I genuinely believe, based on what I see in passport applications, that a significant number of American citizens are applying for U.S. passports because they believe this to be a useful document to them, whether it's to prove that they are American citizens—perhaps they're naturalized and just have become American citizens—or it is to prove that they're American citizens to qualify for a Federal benefit, or it is simply an easy document to use to board a common conveyance, mostly an airplane, even if they're not traveling internationally. We have created a large demand for the passport because of its utility in a number of situations. That is certainly not all of it, by a longshot.

But I'll get you the numbers that you asked for, sir. I regret I didn't bring them with me.

Senator BILL NELSON. But the Western Hemisphere Initiative was the new requirement. You knew you had to have a passport for somebody that didn't have it before.

Ambassador HARTY. That's right, sir.

Senator BILL NELSON. So, I'd like to have that number.

Ambassador HARTY. I'm going to have to take that question, sir, and get that for you.

Senator BILL NELSON. Well, it's hard for us to judge if we don't know. I mean, if it's the large part of the increase, that's one thing, if it's a de minimis part of the overall increase, that's another thing. So, how can we, at this hearing, make judgements without knowing that number?

Ambassador HARTY. I apologize for not having that number for you, sir.

Senator BILL NELSON. Since 2005, what measures did you take to expand facilities and hire additional personnel to deal with the anticipated increase?

Ambassador HARTY. Since 2005, on personnel, sir, total passport employees hired in FY05 was 441; in FY06, 925; in FY07, 1,222. On expansion of facilities—Houston, Chicago, Boston, Seattle, Miami—were all increased. Miami will be increased in a significant way. I've already walked the space. And we're moving it from where it currently is to another building, another part of town, and it will go from 18,000 square feet currently to 28,000 square feet. I have also—we have also built the Denver Passport Agency in this timeframe. We also built the Arkansas Passport Processing Center that we just opened, cut the ribbon on, last week, although it's been in process—it's been working for about 6 weeks, and they've already cranked out about 150,000 passports. We also are expanding the National Passport Center, and GSA is working with us on a fast-track approach to build—we've got a big building there, it's been our flagship for a long time; we are looking for another building, because we need about 100,000 square feet up there, and that's what we're looking for now.

Senator BILL NELSON. Before I get into 2007, why don't you have a member of your staff step outside with their cell phone and see if they can get that number, from the office, that I asked for, which

is: How much of the new passport applications are attributable to the requirement of the new passports in the Western Hemisphere Travel Initiative?

OK. Now, on 2007, you said that you've hired about 1,000 additional people in 2007.

Ambassador HARTY. Yes, sir.

Senator BILL NELSON. And you also have a request to hire an additional 400 in 2007?

Ambassador HARTY. Yes, sir; that's the subject of the CN.

Senator BILL NELSON. What is "CN"?

Ambassador HARTY. Congressional notification, that we're going to spend about $40 million to expand Miami, to expand the National Passport Center, to hire 400 additional employees.

Senator BILL NELSON. OK. And you're also anticipating to hire another 400 in 2008?

Ambassador HARTY. Yes, sir.

Senator BILL NELSON. And it's only now that you've discovered that the volume is such that you're going to have to have all these additional people. That's 1,000, plus 400, plus another 400—that's 1,800 just since January of this year.

Ambassador HARTY. The numbers that we hire each year also take into account a significant amount of attrition. This is government employees, as well as contract employees. So, we give you that number to give you a sense of exactly how many new people we've brought onboard, but in some cases it wasn't a new position, it was that somebody had left the job. Matter of fact, on the contractor side, we have a very regular turnover of contractors.

Senator BILL NELSON. Well, what is the attrition rate in your——

Ambassador HARTY. On the contractor side, my folks tell me that it is about three to one. I mean, we turn people over very, very quickly on the contractor side, not on the passport specialist side.

Senator BILL NELSON. What does "three to one" mean?

Ambassador HARTY. Well, the turnover is so quick that, as we look at, in any given year, how many people we're going to hire, we see just about—you know, just about, I guess, a third of those turning over every year. And, in fact, in some of those cases, if not many of those cases, we're bringing them on full-time to the government side of the house. They have learned the business, we have openings, and they are often quite competitive to come on in and adjudicate and become passport specialists, because they have been a part of the nongovernmental side of the house before that. So, there is a constant hiring process going on, even before WHTI, sir.

Senator BILL NELSON. So, for the contractors, you're saying, for every three people hired, one person leaves.

Ambassador HARTY. Yes, sir; I believe that—I believe I have understood that correctly from my people, and if I'm wrong, I'll correct it for you.

Senator BILL NELSON. And what is the attrition with regard to the people who you are hiring now, and have hired in the last several months?

Ambassador HARTY. I'm going to have to get that for you, sir.

Senator BILL NELSON. Is it less than for contractors? Is it more than for contractors?

Ambassador HARTY. Oh, I'm sorry, on the governmental side? No, I don't have a hard number for you, sir, but attrition on the full-time government employee side is not very high. That has not been of significant issue for us.

[The written information from the State Department follows:]

The attrition rate among contract employees involved in passport processing is about 40 percent annually. The attrition rate among full-time government employees has averaged roughtly 7 percent for the last 2 fiscal years (7.14 percent for FY 2007; 6.95 percent for FY 2006).

Senator BILL NELSON. Well, in November, you knew that you had received 250,000 more applications than you had originally projected. That's in November 2006. Then, in January, the problem grew to another 600,000 above your estimates. So, knowing that, why did it take the Department so long to act?

Ambassador HARTY. In the month of January, and even actually in the month of December, we had begun advertising the fact of the Western Hemisphere Travel Initiative. And so, we initially, and erroneously, believed that the bump-up in January, in that period actually, was because we had made people aware of the requirement. We didn't realize right away, sir, that it was going to continue at those significant high levels. And now, as I have previously testified, it certainly seems clear that it is a changed world, that this is going to be a sustained and increasing demand for U.S. passports, for all of the reasons we've cited, not just Western Hemisphere Travel Initiative.

Senator BILL NELSON. After January, when did you hire the first additional people?

Ambassador HARTY. Oh, we've been hiring people nonstop, sir.

Senator BILL NELSON. When did they first start? When did you first start hiring new ones?

Ambassador HARTY. I think it's fair to say, sir, that every month we're hiring people. We are constantly in a hiring phase——

Senator BILL NELSON. Yeah, but that's not the question.

Ambassador HARTY. Yeah.

Senator BILL NELSON. The question is: When you saw that you had more applications than you originally projected—you first saw that—250,000 more in November, and then, in January, you saw, again, that you had more than 600,000 applications above your estimates, when did you start hiring additional staff?

Ambassador HARTY. Sir, I have year-by-year, I don't have month-by-month with me, but I can assure you we've been hiring people every month—2006 and into 2007.

Senator BILL NELSON. Yeah, but that doesn't help me understand the situation of why you waited so long. I need to know, and this committee needs to know: When did you start responding to the fact that you had more applications than you had? Now, get your staff member's note, and see if that'll refresh your memory.

Ambassador HARTY. I actually thought I had the worst handwriting in the world, sir, but I need a moment. I——

Senator BILL NELSON. OK.

Ambassador HARTY [continuing]. I don't understand this.

Senator BILL NELSON. Take your time.

[Pause.]

Ambassador HARTY. They're reminding me, sir, of an additional thing that we did, but I'm not certain of the date. We went to OPM because we had two issues. One was, it does take a little while to identify people, bring them onboard, train them, clear them, and all of those things. But two categories of people that we were very interested in, because, in many cases, the training issue would be much less, and also the security issue would very likely be much less, and those were WAEs, retired Foreign Service officers who had done this work before, and civil service. And we went to OPM—this note says, actually, March, but I'm not sure, and I apologize, sir, I will have to get back to you.

I think it might even have been February—where we asked to have OPM give us, sort of, a lifting of the cap in their restrictions on hiring back retired passport employees, because what we tried to do—I want the new folks, you bet I do, but if I can hire back some retired passport employees who already know the business—there's a sort of a disincentive in the Government to do that for people to come back who have retired on the civil service side. But we got an exception. We got an exception for 100 or 150 people. I'm not sure, sir, when that is, but I will find it out and give it back to your staff.

I apologize for not anticipating this line of questioning.

Senator BILL NELSON. Who do you have to ask to get that exception so that you can hire those additional people? Who did you ask?

Ambassador HARTY. Under Secretary——

Senator BILL NELSON. In March.

Ambassador HARTY. Under Secretary Fore called OPM. I don't know the name of the person she spoke with, but I will find it out for you.

[The written information from the State Department follows:]

Linda Springer, Director of OPM, approved the request to waive the salary offset and reemploy annuitants in a memo to Under Secretary Fore on March 30.

Senator BILL NELSON. Did you bring this problem to the attention of the Secretary of State?

Ambassador HARTY. The Secretary was aware of the things that we were doing, yes.

Senator BILL NELSON. That's not my question. Did you bring this to the attention of the Secretary of State?

Ambassador HARTY. Which part of the issue, sir?

Senator BILL NELSON. The fact that you're way behind the eight ball on hiring people for the amount of new applications that you're receiving.

Ambassador HARTY. I have sent several memos to the Secretary, sir. I don't know if I specifically mentioned the hiring issue. It would be normal for me to go to the Under Secretary for Management.

Senator BILL NELSON. Ok, let's assume the note that was just passed to you is correct, March. So, you knew, in—you knew, in November, there were 250,000 more applications. You knew, in January, that there were 600,000 more applications. Would it not occur to a manager that we're going to need some more work done, and people? So, why wait 'til March?

Ambassador HARTY. Sir, we were hiring in November, in December, in January. The idea about retirees, I think was a good idea, we just didn't think of it right away.

Senator BILL NELSON. Didn't think of it right away. And you thought that this was a false—did you say, earlier, that you thought this was a false bump-up and that it was going to settle back down?

Ambassador HARTY. We thought it was a bump-up in response to the public outreach we and Homeland Security had done to see people comply with the January 23 deadline.

Senator BILL NELSON. Well, let's talk about the vendor. When did State first realize there was a backlog of applications at the lockbox operation?

Ambassador HARTY. Mid-January, sir.

Senator BILL NELSON. And what measures were taken by State and Treasury in response to that?

Ambassador HARTY. Lots of conversations, lots of people from passport services going up there. I, myself, went. I went with somebody from Treasury in very, very, very regular monitoring of: How are we going to get this back to the normal performance standard?

Senator BILL NELSON. In your opinion, has the contractor performed adequately?

Ambassador HARTY. They are now, sir. I think that together we were impressed with the seriousness of the situation, and we addressed it. I would, of course, prefer that this never had happened this way, but they are—they really did put the pedal to the metal, sir, to ramp up and to address the concerns that they saw, and that we addressed with them.

Senator BILL NELSON. Well, you just testified that January was when you found that there was a problem in the lockbox, and it is now 5½ months later that you're saying they're really trying now.

Ambassador HARTY. No, sir. They're—excuse me—but they're back to 24-hour turnaround.

Senator BILL NELSON. Ok. So, your answer to the question, then, "Has the contractor performed adequately?" is "yes" or "no" or "maybe"?

Ambassador HARTY. I don't mean to be difficult, sir, but they—when addressed—when we addressed their performance issues, they rectified them.

Senator BILL NELSON. Within what period of time?

Ambassador HARTY. By mid-May they were back to 24-hour turnaround, sir.

Senator BILL NELSON. Is that good enough for government work, since you're the accountable figure?

Ambassador HARTY. Sir, it's not a phrase I ever use. "Good enough for government work," in my—the way I——

Senator BILL NELSON. Is that good enough for your standards?

Ambassador HARTY. I would have liked it to have been faster, sir.

Senator BILL NELSON. Is there a penalty, then, under the contract?

Ambassador HARTY. I will have to explore that with the Treasury Department. It's not my contract, and I apologize, but I don't know the answer to that question.

Senator BILL NELSON. When do you expect to clear the backlog of pending applications—there are some 2 million applications.

Ambassador HARTY. There's actually just under 3 million applications in the system, sir. We expect, given the hiring we're going to do and the things I've described today, that, by the end of September, we will get to 8 weeks, and, by the end of the year, back to 6 weeks. We will brief you if that is not the case. It is certainly my intention to do everything we can to get there and to make sure that the Web site is as regularly updated as possible to make sure that Americans know what to expect. The service standard and transparency there is an important thing that we need to make sure we get it right.

Senator BILL NELSON. OK. And "the end of September," translate that into numbers for me.

Ambassador HARTY. I'm sorry, sir.

Senator BILL NELSON. There's 3 million now. So, at the end of September, you're going to have how many millions still pending, that you get it down to 8 weeks, and, at the end of the year, you're going to get it down to 6 weeks. And so, how many millions are still pending at that point?

Ambassador HARTY. When we are back down to—at the end of September, we'll have about 2 million churning through the system, but it's—it's the volume, sir, it's not—you know, a——

Senator BILL NELSON. Yes, I——

Ambassador HARTY [continuing]. passport comes in——

Senator BILL NELSON [continuing]. I understand.

Ambassador HARTY [continuing]. Today and goes out tomorrow. You know, they're——

Senator BILL NELSON. I understand. It's the volume. But it's 2 million applications that have to be handled.

Ambassador HARTY. That's right.

Senator BILL NELSON. OK?

Ambassador HARTY. That's right, sir.

Senator BILL NELSON. And by the end of the year, how many will it be?

Ambassador HARTY. It's an estimate, sir, somewhere between a million and a million and a half.

Senator BILL NELSON. All right. And why are you confident that—in your testimony today, that you'll be able to meet that target?

Ambassador HARTY. We have looked at the traditional, sort of, seasonal flow of passport applications, and we have—although it's all higher, if you were to chart it out on a graph, it is also following a historic pattern, so we are entering the slower season for passport applications just at the same time that we are ramping up, as we have described this afternoon. And so, that combination of those two things is going to allow us to begin to take a bigger chunk out of the work in progress that we've got now. And we are—I am monitoring that, sir, on a daily basis. Every morning, at 9:30, we do this.

Senator BILL NELSON. OK. You have told us that you're trying to get the word out with regard to the new travel requirements up to September the 30th for the Western Hemisphere Initiative. What measures are you taking to prioritize other passport applications for citizens that are traveling to other countries outside of the Western Hemisphere Travel Initiative?

Ambassador HARTY. A couple of things, sir. First, the passport application has a space where you tell us when you're traveling and where you're going. And so, we've asked—we're working with Citibank to try and make sure that we can reprioritize it a different way so we can get the work in and identify that which has to get out more quickly than others.

Also, at each of our agencies, we've got people doing that same thing, pulling application—it's laborious, it's not a situation that we want to be in, it's just a situation that we've got to spend the time on to make sure we reach in and identify as many of those applications on an agency-by-agency basis as possible. I've sent dozens of people to our National Passport Center, for instance, just, in fact, to go through files to find applications to move things more quickly. Of course, on the expedite side, although we've been through a little bit of that today, we are also moving expedites to the front of the line at every possible turn. If somebody hasn't identified on the envelop that it is an expedite, we're also asking that our Citibank colleagues, sort of, identify that and move that to the front of the line for us.

We are, of course, also receiving phone calls, ourselves, and the National Passport Information Center is able to receive a lot more of those phone calls now, because they've put in all of those lines.

And so, we are working with people as they call us. We're also pulling cases out of the system. It's not the best way to do business. It is the situation we are in, and it's why we want to get out of it as quickly as we can so that we can get back to a more standard approach to doing the work that we do.

Senator BILL NELSON. And, come September 30, what is going to be your adjustment on the Western Hemisphere Travel Initiative, since you've suspended the requirement for a passport up through—this is for air travel only—for——

Ambassador HARTY. To countries within the affected area, yes.

Senator BILL NELSON [continuing]. Those four areas that we talked about——

Ambassador HARTY. Uh-huh.

Senator BILL NELSON. So, come September 30, now they have to have a passport. So, how are you going to handle all of that?

Ambassador HARTY. It is a transition phase. I don't want to speak for DHS just yet. We will, together, work through making sure people understand what the requirement is, do the public diplomacy work, assess this, and make sure this has worked. I would like to keep open the possibility that—well, I've got to work with DHS and see what exactly they are going to do on October 1, and make sure the public understands that.

By that time, sir, I fully expect to have an additional 400 bodies onboard, and that will help us continue to crank the work out.

Senator BILL NELSON. Do you expect that you will delay the implementation past September 30?

Ambassador HARTY. It's not our expectation at this time, sir, but I certainly will keep an open mind on that subject.

Senator BILL NELSON. Much to the chagrin of Secretary Chertoff.

Ambassador HARTY. We will certainly have a consultation about it, sir, if that is required.

Senator BILL NELSON. All right. I think your people have the answer, back there, to the question that I had asked.

[Pause.]

Senator BILL NELSON. Do you want to just have your staff member testify?

Ambassador HARTY. That would do terrible things for retention, sir. [Laughter.]

I'd prefer to do it myself. I will invite her, if I misspeak, to correct me—the initial projections were, in FY05, just under a million; in FY06——

Senator BILL NELSON. This was for Western Hemisphere Travel Initiative.

Ambassador HARTY. Right.

Senator BILL NELSON. A million in 2005.

Ambassador HARTY. Point-nine. Nine—point-nine. In 2006, 1.8. And, originally, in 2007, 4 million; revised, given what we now have seen happen, to 6.5.

But what I was failing to understand for a minute there was—these are, of course, projections—we don't ask people to tell us where they go or how often they will travel, and we don't exactly know whether or not these numbers bear fruit or whether—and it's the same thing I've mentioned earlier, though from a different angle, that the—what we also did not know was how many people would choose to apply for a passport just to have the document, with——

Senator BILL NELSON. Yes.

Ambassador HARTY [continuing]. No travel intentions.

Senator BILL NELSON. Yes, I understand that. You've made that quite clear.

So, in 2005, you estimated that 900,000 people would apply for a passport due to the Western Hemisphere Initiative that otherwise had not had one.

Ambassador HARTY. Yes.

Senator BILL NELSON. OK. How many did?

Ambassador HARTY. That's the part we don't track, sir.

Senator BILL NELSON. You don't know that.

Ambassador HARTY. No, sir.

Senator BILL NELSON. OK. And, in 2006, you estimated that 1.8 million new people would apply for a passport that otherwise didn't have one, because they were just traveling within that Western Hemisphere area.

Ambassador HARTY. Right.

Senator BILL NELSON. And then, in 2007, you said 4 million new people, and you've revised that up to 6.5.

Ambassador HARTY. That's right, sir. Now——

Senator BILL NELSON. And the overall application of passports, you said earlier in your testimony, is somewhere around 12 million?

Ambassador HARTY. 12.1 million in 2006. This year, we expect a little over 17 million.

Senator BILL NELSON. 17 million.

Ambassador HARTY. Yes, sir.

Senator BILL NELSON. Of which 6½ million of the 17 million are, in fact, new required passports as a result of Western Initiative.

Ambassador HARTY. An estimate, sir, but yes.

Senator BILL NELSON. And when was that projection originally made, for 4 million in 2007—for 2007? When did you make that projection?

Ambassador HARTY. 2005 study, sir.

Senator BILL NELSON. OK. Well, you knew it was coming down the road, that you were going to have a lot of new ones.

For the record, in the 2008 budget request, what has been requested to address this expected new demand——

Ambassador HARTY. The 2008 budget request——

Senator BILL NELSON [continuing]. For the Western Hemisphere?

Ambassador HARTY. Right. The 2008 budget request falls short, in that we requested 75 positions, but we are, of course, now in conversation with the Department about another 400, so we're looking at 400 for FY07 fourth quarter, and another 400 in 2008 first quarter.

Senator BILL NELSON. OKay. Now, share with the committee, on the $60 expedited fee, how you're going to go back—about determining if you are going to return all of those fees, or, if you're going to determine that you're not going to return all of them, how are you going to determine what was, in fact, expedited and what was not? What are your parameters?

Ambassador HARTY. Previously today, sir, I said I didn't want to misspeak on this subject. I have—we have had, for many years, a system in place for people to request a refund of their expedite fee. I don't know what is legally required before the Government can cut a check back. I will find out, and I will report that back to you, sir.

I just know that I need help from our legal division on that.

Senator BILL NELSON. The $97 application goes into the Treasury, is that correct?

Ambassador HARTY. Most of it, sir. The $97 includes the passport, the fee that is charged by the acceptance facility, as well as—well, the fee that is for the passport itself. The passport fee goes to the general treasury. If there is an expedite fee, that goes to the Department of State. Several years ago, we managed to—and the Congress gave us a passport surcharge fee, which is $18, and that comes to us, in the Bureau of Consular Affairs, to do what we do, with respect to passports.

Senator BILL NELSON. OK. So, if the $60 expedite fee goes into the Department of State, would you not think that the Department of State has the authority, when a person, in fact, has not received the service of expediting their passport, that the Department of State has the authority to return that $60?

Ambassador HARTY. Since we have a program that does do that, sir, yes, I do think that.

Senator BILL NELSON. OK.

Ambassador HARTY. How—the mechanics of it are what I am loathe to comment on without——

Senator BILL NELSON. OK. What we want to find out is: What is going to be your criteria for what has been expedited and what has not, so those people get their 60 bucks back?

Ambassador HARTY. We have traditionally told people 2 to 3 weeks for an expedite, sir. So, many, many, many people have gotten that—have gotten their passports expedited, so there will be people who don't need that service, or who have—who, in fact, paid for the service and got the service. So, we will do a review of how many cases where that's not the case.

Senator BILL NELSON. Is it present policy that you just said that you consider an expedited passport 2 to 3 weeks?

Ambassador HARTY. Yes, sir.

Senator BILL NELSON. OK. Is it logical for this committee to assume that, therefore, anyone with—who has not received their passport within that 2-to-3-week present policy of expediting will get their $60 back?

Ambassador HARTY. The policy discusses how long we have the passport actually in our hands, as opposed to in the lockbox or before the clerk of court mailed it to the lockbox, and so, in the parameters that you are describing, there's a little bit of leeway there, sir. I will work with our attorneys on this, as well, and come up with a policy.

Senator BILL NELSON. Well, I think it's important that you come back and enunciate that policy to us, because everyone that was up here, their constituents are going to be calling them when they don't get their $60 back, and they're going to say, "I didn't get my passport until 3 months later, and they're still keeping my 60 bucks."

Ambassador HARTY. Right.

Senator BILL NELSON. And when you come back and share with us your new policy, would you also tell us whether or not you're going to require people to ask for a refund or if you are going to do that on your own without them having to do that?

Ambassador HARTY. Yes, sir; I will do those things.

Senator BILL NELSON. Do you think that, having gotten through the seasonal application bump, that we are going to see a decrease of applications?

Ambassador HARTY. Historically, that has been the case, sir. Yes; we do. We will watch this, as I have mentioned, every day to see if that is, or is not, the case.

Senator BILL NELSON. There certainly appears to be plenty of evidence that it won't lessen, on the basis of everything that's been said here in the hearing.

Ambassador HARTY. The numbers are absolutely higher, but the pattern of when people apply seems to be holding consistent with previous years.

Senator BILL NELSON. But certainly not when you overlay the Western Hemisphere Travel Initiative, and when you overlay what you said, that suddenly people want this prized possession of a passport as a means of identification.

Ambassador HARTY. That's why, in fact, sir, while our prediction, which, of course, is subject to the results of the study we're doing

now, that's due out later this summer, our prediction is for 23 million next year. My desire is to staff for 26 million.

Senator BILL NELSON. OK. Thank you. I'm sorry that you have to have these pointed questions.

Ambassador HARTY. No, no, sir. That's my job.

Senator BILL NELSON. I understand that you think it's your job, but it's also your boss's job, too, to make sure that Americans don't get this riled up.

As I went over to vote, I had a number of Senators come up to me who were aware of this hearing. Some of them, Senators from Vermont, Senators from Michigan, in addition to Senator Coleman, who you had heard from, from Minnesota. Detroit, Michigan, they have people going back and forth all the time to work.

Ambassador HARTY. Right.

Senator BILL NELSON. You see the crisis there. In my State, back and forth all the time to the Bahamas——

Ambassador HARTY. Right.

Senator BILL NELSON [continuing]. Other parts of the Caribbean. You see the potential. You can imagine what it's like in California, Arizona, New Mexico, and Texas, back and forth there. So, we're not—we'd better watch this one very, very carefully. And it is our responsibility in our oversight function to see that the executive branch of government is, in fact, performing; and so, we will hold in abeyance, in the meantime—we will hold in abeyance a formal hearing; in the meantime, we will have informal discussions with you as to how it is going.

And thank you for coming up and spending the time that you have. And the information that we did not receive——

Ambassador HARTY. We will get——

Senator BILL NELSON [continuing]. As requested by the——

Ambassador HARTY [continuing]. It to you——

Senator BILL NELSON [continuing]. Senators, if you would share that with us, we would appreciate it.

Ambassador HARTY. Certainly. Thank——

Senator BILL NELSON. Thank——

Ambassador HARTY [continuing]. You, sir.

Senator BILL NELSON [continuing]. You very much.

The meeting is adjourned.

[Whereupon, at 4:52 p.m., the hearing was adjourned.]

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PRESS RELEASE OF HON. JOHN F. KERRY, U.S. SENATOR FROM MASSACHUSETTS

PASSPORT DELAYS ARE UNACCEPTABLE, KERRY TELLS SECRETARY RICE

WASHINGTON, DC.—Senator John Kerry (D–Mass) has joined a bipartisan group of his colleagues to express concern regarding extensive delays in processing passports for millions of Americans. Kerry sent a letter to Secretary of State Condoleezza Rice, asking her to immediately develop a plan to deal with the backlog—which is estimated at nearly 2 million applications. The backlog was largely created by the new Western Hemisphere Travel Initiative, which requires U.S. citizens to have a passport when entering the United States while traveling from Mexico, Canada, the Caribbean, or Bermuda. The State Department has now had to suspend this requirement because of the backlogs; however, pending applications to travel abroad are still severely delayed.

Kerry said the situation is hurting families and threaten imminent travel plans because of the delays, even when people have applied well in advance and followed the rules, which has forced some to either make expensive changes to their plans at the last minute or pay the State Department extra fees to expedite their application. Kerry signed the letter to Rice outlining his concerns and asking that the State Department waive the expedited fees and additional shipping costs.

"I am very concerned with these delays and wonder why the State Department was so unprepared for the upswing in the number of passport applications," Kerry said. "It's unfair for our government to punish people with unreasonable delays and unforeseen costs when the problem lies with inefficiency at the State Department."

The letter signed by Kerry can be found at http://kerry.senate.gov/newsroom/pdf/ricepassport6-18final.pdf.

RESPONSES OF ASSISTANT SECRETARY MAURA HARTY TO QUESTIONS SUBMITTED BY SENATOR BILL NELSON

Question. What were the projections for passport demand following the enactment of the Western Hemisphere Travel Initiative? What were these projections based upon—the Department's internal projections, or the study provided by Bearing Point? Please provide both Bearing Point's and the State Department's internal projections for passport applications for 2005 to present as well as the number of actual passport applications.

Answer. In 2003, the Department of State anticipated a possible requirement for passports for Western Hemisphere travel and began to plan for such an eventuality. The Department convened a working group, which included a number of agencies, to examine the diplomatic, legal, political, operational, and financial implications of removing the passport exemption for Western Hemisphere travel and reported their findings to Secretary Powell in May 2003. At that time, reliable data on the number of U.S. citizens traveling in the Western Hemisphere were not available, so the impact on passport workload was speculative. However, the working group correctly anticipated that the impact on workload would be significant and recommended that any passport requirement be rolled out in four stages, to flatten demand and provide sufficient preparation time. The four stages proposed were Central America and South America in 2005, the Caribbean in 2006, Mexico in 2007, and Canada in 2009.

In December 2004, WHTI was mandated legislatively as part of the Intelligence Reform and Terrorism Prevention Act (IRTPA). Rather than a 4-year rollout, the legislation required that the Departments of State and Homeland Security develop a plan to implement the new requirement on or before January 1, 2008.

By that time, an independent contractor, Bearing Point, had already been hired to project demand for passports associated with WHTI. In December 2003, Bearing Point reported that estimated demand associated with WHTI would be 9.2 million total for air/sea/land across a 3-year implementation period. In December 2004, they revised the estimate to 4.4 million for air travel; and in October 2005, they revised the estimate to 1.5 million for sea travel. Bearing Point did not estimate total passport demand for any period. The estimated passport workload projections were made by our staff; Bearing Point's data was one of several sources used to project increases anticipated as a direct result of WHTI. The workload assumptions used in the Bearing Point study were based on an implementation schedule that would be phased in between 2005–08. The actual implementation schedule changed from those original assumptions to the air phase start date of January 2007.

The Department of State's initial projections following the enactment of WHTI in the IRTPA legislation in December 2004 were presented to OMB in January 2005, as follows:

Fiscal year	Estimated total passport applications	WHTI-related applications
2005	10.5 million	900,000.
2006	12.0 million	1.8 million.
2007	15.0 million	4 million.

This and all subsequent budget requests included funds for additional staff, training, facilities, passport books, and passport production supplies.

Projections were revised again in April 2006 and March 2007, as follows:

Fiscal year	Estimated total passport applications	WHTI-related applications
2007 (4/06)	16.2 million	5.2 million.
2007 (3/07)	17.7 million	Not estimated.

Actual receipts for FY 2005–FY 2007 are as follows:

[In millions]

	Actual receipts
FY 2005	10.4
FY 2006	12.3
FY 2007 (to date)	10.5

In October 2005, another study conducted by Bearing Point in July estimated that approximately 13 million U.S. citizens who did not possess passports crossed the land borders in the preceding year. The proportions were split between 40 percent crossing the border with Mexico and 60 percent to Canada.

Bearing Point's projections for land travel, estimated in 2005 when the land portion of WHTI was required by law to be effective no later than January 1, 2008, were as follows:

[In millions]

Year	*Border crossings*
July 2005–July 2006	8.0
July 2006–July 2007	5.7
July 2007–July 2008	5.6

Shortly thereafter, the law was revised to allow extension until June 2009, and to require that a lower cost alternative to the book-style passport be developed. In January 2006, as part of the Rice/Chertoff Initiative, DHS, and State announced that a lower cost passport card would be developed.

Question. When did the Department of State first realize that there was a backlog of applications at the lockbox operation? What were the first measures taken by the State Department and the contractor in response to the backlog and when were those measures taken? Has the lockbox contractor performed adequately? If the government believes the contractor did not perform properly, are there any penalties under the contract?

Answer. In January 2007, the lockbox service provider first started reporting higher daily receipts than dispatches to the passport agencies; therefore, their processing time increased from the standard 24-hour turnaround. The first measure taken by the State Department in partnership with the U.S. Treasury was to require the lockbox service provider to increase staffing to meet the demand. In the opinion of the U.S. Treasury, who manages the lockbox contract, the service provider responded adequately but not before the backlog at the lockbox increased to just under 1 million applications.

The Department of the Treasury may, under the terms of their agreement, penalize the contractor for the cost to the U.S. Government for the delay in depositing the fees into the Treasury.

Question. When do you expect the passport application turnaround time to return to normal?

Answer. The Department has developed a plan to eliminate the current workload of passports and to return the processing time to our normal 6 weeks timeframe by the end of 2007. In addition to an aggressive hiring plan, we have called for volunteers from within the Department and overseas to serve in our passport agencies. This additional workforce will enable the passport agencies to concentrate their work effort on the routine applications that have been in the system the longest while continuing to process incoming applications for expedited service. By reducing the number of applications in our system and bringing more passport specialists onboard, we can work to return our processing time to our standard of 6 weeks. We will also train other Department employees to accept applications from the public at counter agencies and to perform customer support and other vital, nonadjudicatory services.

With the additional adjudicators, other volunteers, and new employees in place, and with no unexpected rise in applications, CA expects to return to our traditional processing time by the end of calendar year 2007.

Question. Following the suspension of the WHTI rule for air travelers on June 7, what measures have been taken by State and the Department of Homeland Security

to ensure that the public is adequately informed about what documentation they will need to prove that they have applied for a passport?

Answer. The U.S. Departments of State and Homeland Security announced on June 8, 2007, that U.S. citizens traveling to Canada, Mexico, Bermuda, or other countries in the Caribbean region who have applied, but not received their passports, can reenter the United States by air by presenting a government-issued photo identification and Department of State official proof of application for a passport. This transition period is in effect through September 30, 2007.

Members of my staff working with DHS have helped to communicate the flexibility being shown to American travelers to the airlines serving those destinations. We have posted information on our Web site about entry requirements. In our updates and conversations with your offices and applicants, we are advising travelers to contact their airlines to confirm boarding requirements. We have done scores of media interviews, radio, print, and television. We have even put a notice on "YouTube." Finally we have worked with IATA to make continual updates to the Timatic system to ensure that airline employees are aware of changes made by countries such as Mexico, Bermuda, the Dominican Republic, Aruba, and Jamaica to recognize and accept the USG's flexible policy.

Question. What steps are being taken now, and in the FY 2008 budget request, to address the expected demand after the next phase of WHTI goes into effect? What are the Department's plans to ensure that the backlog does not continue as the Western Hemisphere Travel Initiative is fully implemented?

Answer. Passport demand will continue to grow as we move closer to full implementation of WHTI. We have another workload study underway to refine our demand estimates for FY 2008 through FY 2010.

We are building capacity within the current system. We are adding 400 additional government staff by the end of FY 2007, and plan to hire another 400 in the first quarter of FY 2008. We are expanding the physical structure of existing facilities, especially at the National Passport Center and the Miami Passport Agency, and streamlining our processes where possible. We are also ramping up the Arkansas Passport Center, our new mega processing center, to reach its full capacity by the end of CY 2007 of personalizing and mailing out 10 million passports annually. We have plans in place to establish a second contract production center in Tucson, Arizona, next year. We are currently evaluating our options to meet projected demand and will explore aggressively expansion projects to ensure that we can provide Americans with passports in a timely and secure manner.

To meet long-term demand growth, we quickly formed a working group to review earlier plans for expansion and will be reporting to the committee as requested with a formal Strategic Plan.

Question. How many of the millions of Americans who applied for passports since implementation of the air phase of WHTI paid for expedited service they did not get? What measures beyond those currently in place is the Department planning to take to ensure that those Americans get their fees for expedited service back?

Answer. The Department is currently reviewing procedures to refund expedite fees. We are evaluating the best process for returning funds to applicants. We anticipate we will be able to publicize the new procedures on our Web site in the next several days. Everyone who requests expedited service had their application moved to the front of the line. Regrettably, that did not always result in completion in the stated timeframe. As our Web site states, anyone who paid the expedite fee and does not believe they received expedited service can apply for a refund.

Question. A copy of all reports or surveys prepared by Bearing Point or other private contractors to estimate the number of passport applications (including high, middle, and low-range projections) resulting from the WHTI, and a thorough explanation of how the Department of State reached its final estimates, including all other factors that the Department used to reach those estimates.

Answer. We expect to submit to you within a matter of days the Bearing Point reports and surveys; after completing the Department of State's formal procedures for the release of nonpublic information to congressional oversight committees.

In January 2005, following the formal enactment of WHTI in the IRTPA, the Department drew upon the Bearing Point data, our historical trends in passport demand, and consultations with the Departments of Homeland Security and Commerce to present initial projections to OMB.

It is important to note that during this process numerous critical variables changed several times. These included: (1) The introduction of a passport card concept and (2) implementation timelines that were modified in terms of content (air

and sea vs. land, changed to air vs. land and sea) and actual timing. The Bearing Point study did not take these changes into account because it predated them.

Our final estimates for FY 2007 demand were thus based primarily upon consultations as previously described, information in Bearing Point's final October 2005 report, and evaluations of prior year figures for passport demand. Although we anticipated demand would follow traditional cycles and increase in the second quarter of FY 2007, we did not anticipate the supercommpressed demand that we actually experienced in the first few months of this year. We believe publicity and confusion caused by the phased implementation of WHTI likely caused some to apply in advance of actually needing documentation to travel, effectively shifting land border passport demand forward. Given legislative changes regarding the deadline for implementing the land-phase of WHTI and the Rice-Chertoff announcement regarding the introduction of a lower cost passport card, final estimates for FY 2007 did not include land border passport demand.

We continue to review and to update our estimates for passport demand. Another significant factor which we are now examining is what I have heretofore referred to as the "unknowable" element of demand associated with nontravel related desire for documentation.

Question. The Department of State's monthly projections for passport demand, beginning in 2005 through the most recent data available, and a side-by-side comparison of those projections and the number of actual passport applications (incorporating in this response the information requested by Senator Lugar in this second question for the record submitted on June 19, 2007).

Answer. See attached chart.

	Response to Question #2 - Senator Lugar				Response to #2 - Senator Nelson		
	Lockbox Projections Provided to Citi Spring 2006	Lockbox Projections Provided to Citi Summer 2006	Lockbox Projections Projections Provided to Citi Dec. 1, 2006	The actual number of passport applications Citigroup received. =Lockbox Receipts	Monthly All Sources Receipts Projections From BPP	Monthly All Sources Receipts Projections From Current Data	DoS Applications Incoming From All Sources
October-05					652,800		683,132
NOV					632,400		647,774
DEC					822,000		725,742
JAN					915,600		1,289,340
FEB					988,800		1,165,359
MAR					1,482,000		1,230,226
APR					1,222,800		1,164,852
MAY					1,017,600		1,220,401
JUN	1,164,000			692,251	1,424,400		974,145
JUL	888,886			641,976	1,087,200		869,028
AUG	853,096			802,168	986,400		936,203
SEP	663,357			794,434	768,000		893,160
October-06		832,113		1,031,496	953,056		962,366
NOV		795,940		1,052,961	911,625		1,320,437
DEC		865,397	1,036,193	1,035,716	991,177		1,127,036
JAN		1,208,877	1,447,462	1,773,456	1,384,580		1,675,515
FEB		1,260,226	1,508,945	1,692,770	1,443,392		1,576,706
MAR		1,610,778	1,928,683	2,004,076	1,844,896		1,794,212
APR		1,378,785	1,650,904	1,781,384	1,579,184		1,968,502
MAY		1,415,661	1,695,058	1,339,811	1,621,419		2,058,303
JUN		1,334,657	1,598,066	1,363,430	1,528,641		1,387,893
JUL		1,128,677	1,351,433		1,292,723	1,338,655	
AUG		1,252,724	1,499,963		1,434,800	1,450,210	
SEP		1,060,385	1,269,663		1,214,505	1,338,655	

Citigroup became the sole provider in October of calendar year 2006. No data are available for the area shaded in green which was prior to Citigroup becoming our service provider.

Question. An explanation of the initial measures taken by the lockbox contractor in response to the backlog at the lockbox, including when those measures were taken.

Answer. As soon as we became aware of the backlog at the Citibank lockbox, we worked with the Department of Treasury and Citibank to eliminate it. Several enhancements in staffing, equipment, facilities, and technology were implemented expeditiously to improve passport application processing. The specific actions taken by Citibank in cooperation with State and Treasury included the following.

MANUAL PROCESSING NEEDS

- Hired an additional 381 employees by May to reach a total of 1,062 lockbox employees.
- Established a new data-processing center in Buffalo, NY.
- Hired a management team and more than 100 employees for data entry of passport application information.

ADDITIONAL EQUIPMENT, TECHNOLOGY, AND HARDWARE

- Increased the number of application image scanners from 8 to 17.
- Increased application server capacity, data storage, and network bandwidth to accommodate increased volume.
- Added 100 desktop computer workstations and two printers to support increased staffing.

EXPANDED PROCESSING FACILITIES

- Leased an additional 5,300 sq. ft. building in Delaware for mailroom and application storage on March 13, 2007, to enable three shifts to operate 24/7.
- Converted the employee lunchroom within the Delaware primary facility into a secure storage area for applications.
- Added modular units to house employee amenities outside primary building (2,500 sq. ft.).
- Added the Buffalo site (4,500 sq. ft.) on February 6, 2007, with three shifts.

LEVERAGED PROCESS IMPROVEMENT TECHNOLOGIES

- Purchased new software to deliver greater keying capacity and improve the quality of data entry,
- Implemented a new process to scan and batch applications without separating items in the application package.

Question. An account of exactly when more employees were hired to help reduce the application backlog, including month by month calculations of hiring practices for 2006 and 2007.

Answer. The attached charts track passport staff hired to help reduce the application backlog and show a month-by-month calculation of hiring practices.

Total Hires for Passport Specialists -FY 2005-2007

		FY 2005	FY 2006	FY 2007
Quarter	Months	TOTAL	TOTAL	TOTAL
1st quarter	Oct	7	38	37
	Nov	4	1	15
	Dec	2	13	3
2nd quarter	Jan	1	28	16
	Feb	21	2	10
	Mar	5	4	19
3rd quarter	Apr	0	9	9
	May	9	13	7
	June	1	14	70
4th quarter	July	0	7	39
	Aug	24	39	
	Sept	4	17	
TOTALS		74	185	225

PPT STAFFING NUMBERS FOR FY 2005 – FY 2008

NUMBER OF PPT STAFF ON BOARD, FY 2005 - FY 2007

Fiscal Year	FTE on Board	Contractors on Board	Total PPT Staff on Board
FY 2004	924	639	1,563
FY 2005	952	627	1,579
FY 2006	1,089	916	2,005
FY 2007	1,293	1,255	2,548
FY 2008 Projection			3,665

NUMBER OF FULL-TIME PPT ADJUDICATORS ON BOARD, FY 2005 - FY 2007 *

Fiscal Year	Number of Full-time PPT Adjudicators
FY 2005	508
FY 2006	604
FY 2007	798

* These data represent a snapshot of the number of full-time passport specialists on board during June of each year; they do not include supervisory specialists, volunteers, and others who also adjudicate, but not as full-time, permanent adjudicators.

NUMBER OF PPT STAFF HIRED, FY 2005 - FY 2007

Fiscal Year	Number of FTE Hired	Number of Contractors Hired	Total PPT Employees Hired
FY 2005	74	382	456
FY 2006	185	738	923
FY 2007	472	1087	1559

** 250 of the 472 FTEs selected thus far in FY 2007 await security clearances

Question. With regard to the Department of State's plan of action for reducing passport processing time, an outline of the target recruitment level for volunteers, the qualifications necessary to become a volunteer, and the amount of time necessary to train new volunteers and employees recruited to assist with the passport application backlog.

Answer. The Department has developed an action plan to reduce the backlog of passport applications in our system and return to our traditional service standard for routine applications of 6 to 8 weeks by September 30, 2007. We will achieve this goal through a combination of increased personnel resources, targeted work transfers, and maximized production capacity at our mega-processing centers.

The Department estimates that we will require some 300 additional adjudicators to meet the target. Toward that end, we have mobilized Department personnel, including individuals currently assigned to posts overseas. We have already deployed experienced adjudicators to task forces at the National Passport Center in Portsmouth, NH, the New Orleans Passport Agency, and in Washington, DC. We will also send officers to other regional passport centers around the country.

At the same time, we are expediting the hiring of approximately 400 new full-time passport specialists during the fourth quarter of FY 2007; we will work to make them as productive as possible as quickly as possible.

We have used various sources to identify qualified officers who will work for varying periods of time between now and September 30:

- Two hundred Presidential Management Fellows, Career Entry Program participants, and entry-level officers currently working in bureaus throughout the Department will be deployed to NPC, New Orleans, and the Washington Passport Agency for the remainder of the summer to adjudicate passport applications. Most will have been trained and begun work by either July 16 or July 23.
- Forty-six retired State Department employees are now working on a WAE basis; we are looking to hire 50–100 more.
- Forty-five Foreign Service Officers who are assigned overseas are coming home temporarily to adjudicate passports at regional passport agencies. The first group arrived July 16.
- Twenty experienced consular officers who returned to take a 3-week advanced training course in Washington will instead adjudicate passports, most in New Orleans.
- We are postponing the nonhard language training or post assignment of 120 entry-level officers who will complete general consular training this summer, so that they can stay to adjudicate passport applications. The first of these began adjudicating passports on July 10.

The Department has recruited among its qualified employees for personnel to serve as passport adjudicators. Employees who don't qualify as adjudicators are volunteering to assist in various other capacities (answering telephone inquiries, accepting documents at passport agency counters, and other nonadjudicatory responsibilities).

In order to serve as adjudicators, employees must meet the hiring criteria for passport adjudicators and successfully complete the Passport and Nationality module of the basic Consular Course (for Foreign Service officers) or the Passport Services Directorate's National Training Program.

For adjudicators with some prior experience, the Bureau of Consular Affairs (CA) has also provided refresher training on citizenship and nationality regulations along with domestic training in the specialized computer systems we use for passport adjudication. For personnel who will perform customer service tasks, CA has provided training on citizenship issues, document acceptance requirements, fees, and related matters, so employees can quickly be productive in their new roles. Personnel also receive onsite training in their specific assigned duties once they report to the passport agency/center.

Question. Consular management mechanisms the Department of State has put in place to maintain the accuracy and security of passport adjudications as these new employees and volunteers came onboard, including the projected expectation for increases in fraudulent passport applications during this high-volume adjudication period.

Answer. Information contained on all passport applications is automatically checked against several internal and interagency databases, which immediately identify individuals who may not be entitled to a U.S. passport. Every passport application is scrutinized by a trained Passport Adjudicator, who is an expert in citizenship law and passport fraud detection. Passport Adjudicators have at their automated systems and a variety of passport fraud reference to aid them in making a final determination. Their tools include a database that identifies those individuals who have previously attempted to fraudulently obtain a U.S. passport. All of these checks are performed and procedures followed regardless of the urgency to issue the passport.

A robust fraud prevention program is already in place to ensure fraudulent applications are identified. This program is managed at each agency and center by a Fraud Prevention Manager (FPM) dedicated to training Passport Adjudicators and identifying fraud trends and techniques. Passport Adjudicators refer suspected fraudulent passport applications to the FPM, who in turn refers cases requiring law enforcement investigation to the Bureau of Diplomatic Security, as warranted.

The Department is supplementing the existing fraud prevention program with additional resources to ensure the integrity of the U.S. passport is preserved. All personnel on the adjudication task forces must, at a minimum, pass the passport section of the basic consular course and must attend a mandatory seminar prior to being assigned to work. All shifts are supervised by a highly qualified, experienced passport employee who can address any question and provide expert guidance on all passport fraud-related issues that an adjudicator may encounter. In addition, senior fraud experts from Consular Affairs' Fraud Prevention Program and Passport Services' Office of Passport Integrity are also deployed to each task force. These in-

dividuals supplement the existing pool of FPMs to train, mentor, and provide guidance to adjudicators.

Question. An account of your discussions of the passport backlog, including requests for additional resources, with Secretary of State Condoleezza Rice, then-Deputy Secretary of State Robert Zoellick, Deputy Secretary of State John Negroponte, and Under Secretary of State for Management, Henrietta Fore.

Answer. Secretary Rice and Under Secretary Fore have taken a clear interest in providing CA the resources necessary to meet the current challenge. Secretary Rice herself contacted DHS Secretary Chertoff by phone and again during an in-person meeting to work out the modalities of the flexible accommodation for reentry into the United States. Deputy Secretary Negroponte and Under Secretary Fore on several occasions have publicly exhorted the Department to provide needed volunteers for passport task force duty.

Question. An outline of the attrition rate for full-time government employees and contract employees who contribute to passport application processing.

The attrition rate among contract employees involved in passport processing about 40 percent annually. The attrition rate among full-time government employees has averaged roughly 7 percent for the last two fiscal years (7.14 percent for FY 2007; 6.95 percent for FY 2006).

Question. The total number of Americans who paid the expedited service fee for passport processing since the implementation of WHTI and an explanation of how the Department of State and the Department of Treasury will facilitate the refund of fees for those who did not receive this expedited service.

Answer. So far in FY 2007, from October 1, 2006, through July 11, 2007, State has received approximately 4.3 million passport applications for which an expedited fee was paid. Every one of these applicants who paid the expedite fee did, in fact, receive expedited service in that his/her application was automatically given a higher priority in the queue. We process those applications more quickly than those for standard passports. To further ensure expedited service, CA has been paying for expedited passports to be mailed via Federal Express and has not, as had been past practice, asked customers to cover this additional cost.

The Department has reviewed the issue of refunds and decided to maintain our longstanding policy of inviting any individuals who paid for and believes they did not receive expedited service to request a refund. We will grant refunds where required.

Question. An explanation of the measures you are taking to prioritize passport applications for citizens who are traveling to countries outside of WHTI.

Answer. We routinely screen our pending work to prioritize by departure date and destination. Also, all customers who contact us to inquire about the status of their applications are asked for their destination and departure date, so we can ensure that their inquiries are given timely attention.

RESPONSES OF ASSISTANT SECRETARY MAURA HARTY TO QUESTIONS SUBMITTED BY SENATOR RICHARD LUGAR

Question. I note that under the Western Hemisphere Travel Initiative (WHTI) there is a credit-card-sized "passport card" that is envisioned to serve in lieu of a traditional passport booklet. The card could be used for those U.S. citizens crossing our borders by land and sea but not by air. What can you tell us about the status of the card, particularly as it relates to possible production delays that we have seen with passports?

Answer. The Department of State has an ambitious and aggressive schedule to develop the card as soon as possible. The Request for Procurement to industry was issued on May 25, and we expect to begin testing product samples this summer. In accordance with testing requirements established in the certification by the National Institute of Standards and Technology, we will conduct the full range of security, durability, and privacy tests on the passport card and protective sleeve to ensure we are issuing the best and most secure card to the American public. Absent any technical challenges that may arise as a result of testing, we expect to begin issuing the cards to the public as soon as possible in 2008. We will issue a notice in the Federal Register when State is ready to begin accepting applications for the passport card and will, of course, conduct a robust public outreach campaign to inform particularly the border resident communities.

We will continue to build up both physical plant and personnel numbers in order to be able to meet demand for passports and the passport card.

Question. Please provide on a month by month basis the following information, starting from June 2006 to July 2007.

- The estimated number of passport applications that State provided Citigroup.
- The actual number of passport applications Citigroup received.
- The number of applications Citigroup sent to State.
- The difference between what Citigroup received and sent to State, i.e., Citigroup's backlog.
- The number of lockbox staff.
- The number of passports State adjudicated.
- The difference between incoming applications/adjudications (i.e., the backlog).
- The number of adjudication staff.
- The number of passport applications State referred to Diplomatic Security for possible fraud.

Answer. The Department does not have the information on the number of lockbox staff because this contract is administered by the Department of Treasury, but we have reached out to Treasury to see if we can obtain that information. The attached chart includes the other information you requested, with projections through July 2007, but actual numbers only through May 2007 because we are not yet at the end of June.

	Projections Provided Spring 2006	Projections Provided Summer 2006	Projections Provided December 1, 2006	Lockbox Receipts	Lockbox Applications Sent to State	Lockbox Receipts Minus Applications Sent to State	Passports Issued	Applications Received From All Sources (Including Counter and Overseas)	Applications Issued Minus Applications Received	Adjudication Staff	Fraud Referrals to DS
Jun-06	1,164,000			692,251	675,846	16,405	1,166,628	974,145	-192,483	594	371
JUL	888,886			641,976	621,150	20,826	1,036,194	869,028	-167,166	604	342
AUG	853,096			802,168	795,069	7,099	1,196,135	936,203	-259,932	606	302
SEP	663,357			794,434	757,411	37,023	951,346	893,160	-58,186	633	262
OCT		832,113		1,031,496	1,000,580	30,916	1,008,968	962,366	-46,602	666	340
NOV		795,940		1,052,961	1,029,141	23,820	1,028,892	1,320,437	291,545	675	232
DEC		865,397	1,036,193	1,035,716	1,064,554	-28,838	1,015,847	1,127,036	111,189	686	241
JAN		1,208,877	1,447,462	1,773,456	1,456,875	316,581	1,281,151	1,675,515	394,364	688	242
FEB		1,260,226	1,508,945	1,692,770	1,445,192	247,578	1,217,028	1,576,706	359,678	702	261
MAR		1,610,778	1,928,683	2,004,076	1,748,147	255,929	1,635,419	1,794,212	158,793	717	269
APR		1,378,785	1,650,904	1,781,384	2,051,587	-270,203	1,495,683	1,968,502	472,819	720	297
MAY		1,415,661	1,695,058	1,339,811	1,994,479	-654,668	1,664,654	2,058,303	393,649	722	NA
JUN		1,334,657	1,598,066	NA	NA	NA	NA	NA	NA	NA	NA
JUL		1,128,677	1,351,433	NA	NA	NA	NA	NA	NA	NA	NA

Note: During the period shaded in yellow, both Mellon Bank and Citigroup were providing lockbox services. Data and projections listed here were only for Citigroup lockbox upon February data and transition plan.
Citigroup became the sole provider in October 2006.

NA: NOT AVAILABLE YET

Question. On a somewhat related note, last Friday, President Bush signed legislation that Senator Kennedy and I drafted, and which was cosponsored by many of the members of this committee.

The legislation increased from 50 to 500 the number of Special Immigrant Visas available for Iraqis and Afghanis who had served with the United States as translators/interpreters.

- What is the status of these visas?
- How many of the 500 have been issued?
- Where were they issued?
- Has the recipient entered the U.S.?
- What current obstacles remain regarding these visas, either within the U.S. Government or overseas?

Answer. The visas that were noncurrent before the legislation was passed are currently being processed at the National Visa Center (NVC). NVC has created a special unit that is corresponding directly with the translators and their sponsors and is assisting them to assemble the documents—including proof of identity—which they will need for these visas to be adjudicated. The instruction packets were sent out on Monday, June 18, the first work day after the President signed the legislation. One translator has responded with all of the documents required for visa processing. NVC is currently scheduling an appointment for that applicant's interview with the U.S. Embassy in Amman, Jordan.

The Department has been able to issue 36 SIVs (along with 32 derivative visas issued to dependents). Thirty-three of the 36 primary SIVs were issued by the U.S. Embassy in Amman, Jordan; the remainder were issued by the U.S. Embassy in Islamabad, Pakistan. All of the visas that have been issued were treated as "expedites"—the basic data entry at NVC took only 3–5 days before the cases were sent to post for adjudication.

The information about whether the recipients have entered the United States would be available from DHS' Office of Customs and Border Protection.

Security Advisory Opinions (SAOs) are likely to be an issue in many cases, but we do not expect SAOs to delay the majority of the participants. In addition, contact is largely dependent upon e-mail because many have redeployed or relocated outside Iraq; international mail does not function within Iraq. Problems with naming conventions and fraudulent Iraqi documents also present a challenge.

Question. One of the biggest complaints we have all received from constituents throughout this is the lack of accurate feedback regarding the status and even the location of an individual's passport application. What improvements are you making to provide more real-time information regarding the status of individual applications? How are applications currently sorted for adjudication—by the date the application was received? By departure date? Are all completed passports now being sent via overnight mail to the applicants?

Answer. The initial problem was an unprecedented spike, which created a backlog of unopened applications in mailed envelopes at our lockbox facility. We cannot confirm receipt of a passport application until it is data-entered into our Travel Document Issuance System (TDIS). Accurate status reports could not be provided to many people. Applications are now being processed by our lockbox and entered into TDIS very quickly.

Concurrently, our National Passport Information Center (NPIC) began receiving enormous numbers of calls daily. NPIC expedited its hiring efforts, adding over 400 Customer Service Representatives (CSRS); added space; increased technical capability; and expanded its service hours. We also established two temporary phone task forces—one at the Department and one at the Kentucky Consular Center—working extended hours weekdays and weekends. To ensure that customers receive accurate data, we are looking closely at our training program and will work with our contractor to see that new employees fully understand how to identify and convey status reports.

Previously, applications appeared on the online status check only after the application was batched at the agency, which could take several days. The process has been improved so that the application now appears on the online status check at the earliest stage on its entry into TDIS. The online status information now updates four times a day rather than once a day and is available 24 hours a day, 7 days a week. The information obtained in the online status check includes all of the information needed by DHS for a land or sea border crossing from Canada, Mexico, or the Bahamas. The online status check will also let the customer know that the passport has been sent.

Incoming applications are sorted by the date they are received. Traditionally, completed passports are sent by Priority Mail with delivery confirmation, unless the ap-

plicant requests and pays for express mailing. However, we utilize without charge whatever means necessary, including next-day, same-day, or courier delivery services to ensure that customers make their trips.

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