



U.S. Power: Strength and Security Across Borders

The Role of Foreign Visitors

May 3, 2005

**The Center for Strategic and International Studies
Graduate Management Admission Council**

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[in order of appearance]

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Terrorism and U.S. National Security

John Hamre: I would like to begin by really introducing my colleague, my collaborator Dave Wilson. Dave... where did David go? There's David... David, why don't you come up here? David is the co-sponsor with us of this visa conference. It started from a conversation that Dave and Frank Carlucci and I had a couple of months ago about the pressing need to take a look at the visa, so let me turn to you David to get us started.

David Wilson: Thank you, John. As I read the title of this conference, it says, "U.S. Power:", colon, "Strength and Security Across Borders", change font, "The Role of Foreign Visitors". Now that has a certain ring, a panache, a sense of formality, but there's a subtext here. The subtext is sort of 'Newton and immigration policy', for every action there's an equal and opposite reaction, or, the law of unintended consequences as applied to immigration policy. We came off 9/11, there was a lot of activity trying to establish certainly the appearance of action without a lot of thought about some of the reactions.

Imagine, for example, that you were the first person to acquire a Starbucks concession in National Airport and you acquired it on September the tenth, 2001. And anyone who's flown out of National realizes that one of the first things you contemplate these days when you arrive there is whether or not to have a cup of coffee, because you're going to be strapped in for at least thirty minutes, and often with air traffic control and gate delays as much as an hour and a half without being allowed to use the head. An unintended consequence.

The focus on visas that came up in a dialogue with Frank and John earlier has a profound impact on our universities but also on our country. And the universities, in the short term the impact is pretty clear. The consequences, and with that, declining cash flows because oftentimes international students come as full-paying candidates, and as someone who represents universities, and graduate schools in particular, that impact has been particularly noticeable and severe. But more importantly is the long-term impact and the decline in registrations. You and I in this room grew up with many people from around the world in our classes; we studied with them, we lived with them, we ordered pizza at midnight as we prepared for the next day's case, or paper, or dialogue or seminar. Our grandchildren will not have that luxury. They will not have the luxury of studying with people from many many parts of the world. Today's world leaders come from all over, but many have studied in this country, many have studied, many have lived, many have spent time, and many have shared pizza and beer with us.

It concerns me to see that change, and it was that concern that John and Frank really surfaced in a dialogue that has invited us and encouraged us at the Graduate Management Admission Council to become, if you will, the angel investor in this entrepreneurial venture into discovery, and hopefully to some resolution of a real challenge.

It's an honor to be here today, and I look forward to joining you in the

dialogue that continues. John?

John Hamre: Thank you, David. We'll be interacting throughout the morning with Dave. Let me just make a few introductory remarks, and then I'd like to introduce Congressman Manzullo. The issue of border control and people movement has been with us for a very long time, with humanity for a very long time. Almost every organized society is worried about who's coming across the border. Go back and look at the story after the children of Israel escaped from Egypt and they wandered around for a while in the Sinai for forty years and then decided to go into the Promised Land, and what did Joshua do? Well, he sent spies -- into the land of milk and honey. You have to remember that if you've been living in the desert for forty years, milk and honey would be a metaphor for everything sweet and lovely. He sent spies in because he was going to bring in a whole load of migrants into the promised land.

You know, from time immemorial, societies have worried about their borders, and have worried about who's coming into their borders. It's natural that we would have these concerns. And of course, with September 11th, the shocking reality was really more about six months later, when our immigration people granted visas to two of the guys that killed themselves. That was a pretty embarrassing moment for the government. So understandably, as a society we are concerned about who is among us. Now we're living in a time that is dramatically more complicated than the period when the Israelis were going to move into Palestine. I mean, this is a much more complicated time. We are a very dynamic and interactive society, and we're a country of immigrants.

We pride ourselves with this culture. My family came here a hundred and ten years ago, undocumented workers that had to work their way off the docks in New York before they could move to South Dakota. What the hell were they thinking of, you know, wanna go to South Dakota? (laughter) But, you know, this is a society, our whole country is a society that's benefited so directly and intensively from having immigrants that come to this country, and workers that come to this country. We would not have been able to survive, and succeeded in the Cold War, had it not been for the immigrants from Europe who came with knowledge about nuclear weapons, and helped us through those early stages. I mean, this is a society that's been hugely dependent on these people.

And I know from my own personal experiences, when I travel internationally and I meet with heads of governments around the world, almost all of them went to graduate school over here. They know us. What a huge advantage we had, during the Cold War, to have had the leadership around the world knowing America, admiring America.

I mean, this has been an incredible advantage. Is this now at risk, in this world? These are the kinds of issues that we want to explore today. It's going to be a fascinating session. I would like to thank all of our panelists. We've got a very interesting group of people today.

Congressional Initiatives

John Hamre: But as we get started, I would like to introduce to you Congressman Donald Manzullo. Now Congressman Manzullo's from Illinois, and is probably, first of all one of the most cosmopolitan regions in America when you think about all of ---

Donald Manzullo: We raise beef cattle!

John Hamre: (laughter) You may raise beef cattle, but you've got a lot of ethnic communities all around you, it's a very dynamic community and society, and he's working very hard to make sure that America remains a vital and vibrant economy in this new age. So Congressman, we're delighted that you're here, we appreciate your coming, and I introduce you to our audience. Thank you.

Donald Manzullo: Thank you so much. Appreciate it. I've never been called 'cosmopolitan' before and I just don't know, I'm not quite sure what that word means. I know it's a magazine and I like to read the love stories in it, but... aside from that, it's a real joy to be here this morning. I want to whip through several things, and let you know how I got involved in this. Sixteenth District of Illinois is Lynn Martin's old district. It's actually John B. Anderson's old district also. And it has probably about twenty-five hundred factories. It's one of the most intensely industrialized areas, I think in the world. Town of a hundred and sixty thousand, Rockford itself has about fourteen to fifteen hundred industries. And so everything is there. Whatever is made there, whatever is made in the world, usually some part of that is made in Rockford. It's the tool and dye center of the world, it's the fastener capital of the world. 1980 the unemployment was at 24.9 percent, it led the nation in unemployment.

Because of the intense industrialization, it is always the first to get hit, and the last to recover. And we are in for the ride of our lives, in light of what is going on with regard to manufacturing in this country. We've got three angles to answer this question. How do we maintain and expand America's innovation advantage, or the question actually would be, how do we regain America's innovative advantage? It's gone.

I'm the Chairman of the American-Chinese Inter-Parliamentary Exchange, and the Chairman of the American-Canadian Inter-Parliamentary Exchange, and our staff has been all over China. And we have seen a continuous movement of tool and dye shops, of research and development and product development and labs from this country to China. It's happening just as we sit here today. In fact, Mayor Daley was just in Shanghai, and the Mayor of Shanghai said, "Mayor Daley, here are one hundred acres that we have set aside to do all the pharmaceutical research and development in the world". China will lead the world in research and development. And this country is responsible in great part for that happening.

Three issues, three angles. The exploding trade deficit; the need to get buyers, engineers and foreign businessmen in this country to grow our commercial ties; and again, regaining our research and development edge. I'm the Chairman of the Small Business committee. We have had sixty hearings on

manufacturing. It's the only committee that sort of specializes in manufacturing.

We've had four hearings specifically dealing with the visa issue. In June of '02, how limiting international visitor visas hurt small tours of businesses. Remember when they wouldn't let the Canadians for more than sixty days -- it took us five days to get a memorandum of understanding, when Jeb Bush sent a videotape testifying that the administration was not doing too well in slapping that restriction on the Canadians.

June fourth of '03, the visa approval backlog, it's impacted American small businesses. November of '03, lowering the cost of doing business in the United States, how to keep our companies here. And we had a roundtable on our SME Trade Working Group. The role of security in non-proliferation concerns and visa policy, March 30 of this year.

We were able, through our office, to sit down and have numerous meetings, and ended up brokering the agreement that now has a multiple-entry visa for tourists and businessmen that will allow Chinese businessmen to enter under a single visa for twelve months, instead of having to obtain a multiple visa, so we used the committee resources on that, and then my position as chairman of the American Inter-Parliamentary Exchange.

We are very much concerned because what is happening is this. And let me quote to you Mike Roberts -- Mike, you want to wave your hand over there, with the Department of Energy? And Marv Singer with him, and Dr. Jaffe. They're with the Department of Energy. Marv is the Director of Inter, the International Division of Office of Fusion Energy. This is a massive scientific project, to come up with a new source of energy, fusion energy. He can't even have meetings in the United States because they cannot bring in the scientists from all over the world.

The next tier is the international linear collider. Dr. Jaffe, you didn't think ten minutes ago that you'd be famous for giving me that word, did you? The international linear collider -- this is, way beyond jet set and rocket science, another form of energy. The question is, where is that linear collider going to be built, in the United States or China? That's how critical this issue is. It has been very very difficult to convince the administration that they've got to do something about the visa policies that we have in this country.

Ingersoll of Rockford -- let me give you some examples as to what happened on our turf. Now Ingersoll Milling Machine, been around -- or was around -- for about a hundred and fifteen years. Make six access(?), machine tools, one of only two companies in the world that make the machines that wrap a composite material around aircraft. Them, and Cincinnati Milacron, and Milacron spun off, Cincinnati is now in Kentucky, down to two hundred people.

And Ingersoll of Rockford tried to bring in six Chinese engineers from Xian (?) Aircraft, a state-owned Chinese company, that machined the parts for Boeing airplanes. These machine tools are not controlled, they're bread and butter, you can buy them on the open market. They don't exceed five access. Xian (?) needed to buy these machines to satisfy Boeing's requirements, and they

needed to inspect the goods prior to purchase. We raised hell for months. Could not convince the FBI and the State Department that every Chinese person coming into this country with an engineering background is not some type of a spy. Couldn't get them here. They're not going to buy what they can't see, and Ingersoll lost a ten million dollar project. Ingersoll went bankrupt, it went into Chapter 11 bankruptcy.

And irony of all ironies is that the cutting tool division was bought by an Israeli firm, the machine tool division was bought by an Italian firm, and the production line system -- which was going completely out of business because no American manufacturing companies were interested in buying it, no joint venture capitalists, no banks -- was sold to Dalia which is a wholly-owned Chinese state subsidiary that came into Rockford, bought this company, kept it going, now makes machine tools in Rockford that are exported to China.

Okay? And so, was the ten million dollars in a lost contract to Xian Aircraft in China, was that the straw that broke the camel's back? Ten million dollars, it's obviously a lot of money. Now, what happens when it's very difficult to get a visa to come into this country? And there are people out there saying, it's not a problem. Really, just not a problem because we're working on it, and we'll get through it. The people that we've been working with in the federal government have been absolutely fantastic. People at the State Department and FBI, very qualified, they know their subject well, they have a great desire to help out. And they have, immensely, especially on this multiple-entry visa. But they are also hemmed in by a policy which no one can understand, and by the way which no one knows where it came from.

But what happens when people, especially from two or three countries, cannot come to this country, can't get visas to come in? Not just the loss of sales -- and that's been quantified by a study by the Santangelo Group, last year of at least thirty billion dollars in loss of sales. But even worse than that is a reputation for being an unreliable supplier. You cannot quantify the loss of sales this country has had directly to China which will help us with our trade imbalance, and I have the Chinese come into my office and say Congressman, you talk about the U.S. buying so much stuff from us, we want to buy from you, and our salespeople can't even get in. And they leave out the next question, which is, how stupid can you be in bringing about your own self-destruction.

Relocation of training events outside the U.S.; inability to bring customers to the U.S. for products inspection or training -- that's IBM; inability to bring foreign employees to the U.S. for purposes of training on the machines; inability to bring foreign business partners to the U.S.; damage to reputation with foreign customers or business partners; and it goes on and on and on and on, and it just gives an additional incentive to our domestic corporations to move manufacturing overseas. They would even go to Germany, or some other place that has higher wages, at least they can sell their product. Or Canada. Or Mexico. We brought this problem on ourselves, you know why? Ever since 9/11, every person from the East, or from India, is presumed almost conclusively to be a terrorist. And in the name of national security, we're destroying our economic security.

Back in June of 2003, the National Association of Manufacturers put out a white paper on manufacturing, and in the introductory paragraph in there they make the most astounding statement, and it goes like this: "If the United States continues to lose manufacturing jobs on the same proportion that we've had in the past two years, then the center of innovation will move from the United States to foreign countries, and at that point Americans will have to get used to a lesser standard of living." You've got to think about that. It's almost prophetic. This is not a protectionist group. I'd compare my free trade voting record to anybody in Congress. T. Dave Dryer (?) - I've got a better free trade record than he does -- I don't know if I do, but it's just as good, and you know where he stands on these issues.

And so what we are seeing is a shift. Now when you lose your R&D you're going to lose everything. We've lost it. It's scary out there. And now Greenspan is going to raise interest rates again for the eighth time, and for the fifth month in a row, manufacturing orders are down. There's no connection between the Fed, between the policy makers, whoever's talking about making the policy on visa, and our manufacturing and technological base in this country. We are at Code Red, and no one seems to understand it.

We try to impress upon the White House, as much as I love the President. I'm not being critical of him, because he's got a lot of advisers there. One economic adviser I even called that he resign, Mancue -- he's the guy that said outsourcing is good. I had twelve percent unemployment back home -- do you think they'd love that comment?

So what I present to you is the fact that we have to think differently and come in with a plan, and here's the plan. We need a business visa. Just that simple. We need a special category of visas for businesses. People come over here for tourism, that's fine; we need them also. But we need to have a separate class of business visas so we can expedite those people that are coming here, and for the life of me, the FBI and the State Department never did clear those six people from China. These are sales people. Would you buy, would you buy a machine, a six million dollar machine that you couldn't see? And we had a fight also with the State Department and the FBI when they had sold eleven machines at Ingersoll, and they would not give the visas for the people to come in and train on them. No wonder Ingersoll went bankrupt.

So we're at the verge here now... not at the verge, we've lost our R&D center. But we're also losing something else. To the extent that maintaining a viable defense posture equates to our national security, we're losing that also. And there are other reasons for that I just don't want to get into. But whenever there's an inducement to set up shop overseas - and I'm not talking about the normal things of health care and regulations and things of that nature - I'm talking about a policy of our government. When our government says, you cannot freely bring customers here to look at your equipment, no wonder these companies will sit down and figure, well what can we do? Now we've been working on this thing for two years, and we got the multiple-entry visa. The president needs to get involved in this thing. Notice how quickly he got involved when the decision came

that everybody coming into the United States has to have some type of a visa. Remember that about two weeks ago, the President said, boy that's one on me. He didn't even know that was going on. How do we get the President, the President's attention on this?

And my suggestion is this. There are probably about fifteen or twenty different suggestions out there on what to do on the visa process. I don't want to hear the word 'more resources', okay? More resources -- that always equates to more, more money. Let's just take a position to center on one thing. Mr. President, we need a separate business visa category. Now the entire scientific community over here, the business community, the educational community, and the cultural community can come together, work out a piece of legislation, and everybody get behind them, one plan, so that we're not spread out all over the place, as we all are - we're all policy-makers, we all have our own ideas.

I didn't stick too much to our notes on here, but let me conclude with this. I've had the opportunity to be appointed to the Committee on Competitiveness National Innovation Initiative, I don't know if you've been following that. And then, I've been appointed on the Board of the National Association for Advanced Manufacturing. And I studied manufacturing all over the world. In fact, two weeks ago I was in Nashville, with the diminishing supply people from DOD, because they can't get parts made, because companies have gone overseas or the part is obsolescent, and then I flew from there back to Washington, then to Tucson with the people that make cutting-edge (?) treatment. And from there I went to St. Louis with the... it may not sound sexy to you guys, it's called the Cast Expo, it's the Foundry people, and the North American Tooling Association, had over nine hundred booths, over nine thousand people showed up, the latest in technological advances in this particular industry. You know what's happened to the foundry industry.

I was in Chicago at the Association for Manufacturing Technology, every two years has this giant expo to sell U.S.-made machine tools, at least what's left of our industry here. They can't, they can't... the customers can't come in! Up to forty percent of the people who wanted to come couldn't come in, to buy our stuff. It's simply not possible. And then the last thing is I've been working with the National Science and Technology Council, the inter-agency working group on manufacturing, research and development. For the first time in this country, there is a concerted effort to piece together all the R&D that's going on. I know you're not much into flow charts, but what you have here, it's the NSTS, the Director of OSTP (?) sits on top, and there's the Committee on Environment and Natural Resources, the Committee on Science, large-scale science is where you guys fit in, the Committee on Technology, the Committee on Homeland and National Security. And the whole purpose here is to coordinate the R&D that's going on in the United States.

Back home in Rockford, Illinois we set up something that's called the Eiger Lab, and the purpose there is to further the milling process for micro-machining. And this is where you can take and make a spur gear the size of Lincoln's nose on the Lincoln's penny. That's how precise that manufacturing is. You take and

put a carbide tip on a spindle that's attached to a dental drill. It'll mill at about a hundred twenty thousand RPM's, it's about six times the speed of the high-speed hard milling machine. Incredible technology.

Well, taking place with Honeywell's lab in St. Louis is something called the LIST method, it's a bursting manufacturing method whereby they're actually making the same parts but in a different way, presumably for a different application. And the issue here is, how do you know at what point what the government's doing at one area, on R&D and manufacturing, and what they're doing in another area? Finally, there's an inter-agency working group that's coordinating all the research and all the development and all the sciences together. Now why do I bring this up? I want that to be centered in America. Someone has to lead the world in innovation, technology, and manufacturing. There's not room for two leaders, it's not the way it works, otherwise you don't use the word 'leader'. Either it's going to be the United States, or another country, and I'll let you fill in the blanks.

Maintaining an Open and Secure Society

John Hamre: Thank you very much, Congressman. You've given us a very lively start. May I ask our panelists to come up -- Frank, and Frank, and Bill. And let me just very briefly introduce them to everyone. I'm not going to go through lengthy introductions, you all have copies of their backgrounds here. But just very briefly, Frank Sesno is going to moderate the session. Everyone knows Frank, very successful career at CNN, and is now a Professor at George Mason University. Delighted to have his affiliation with us here at CSIS. He is currently producing a very interesting series called World Talk, and I encourage you to watch for this on PBS.

Bill Webster is one of those rare individuals that has both a career at CIA and FBI, and of course had a very rich history before that, having been a federal court judge.

And Frank Carlucci, Secretary of Defense, Deputy Director of CIA, was an Undersecretary at HEW, I think he had every position in government since, well since the beginning, George Washington created I suppose, so we're delighted to have these individuals here.

The purpose of this session is to try to explore the richer dimension of security and safety. There's a "Capital S" and a "small s" security. "Small s" is the guards, gates, guns, and "Capital S" is the vitality of our society, our economy, the openness and transparency, and the power and vigor it gives us as a people. We're going to explore that today with these three great men. Thank you.

Frank Sesno: Thank you. Let's see if we can get this to work, are we up and running? Do you hear that? ((discussion of the sound system)) See, we are still leaders in technology. (laughter) Well I think the Congressman's comments were very provocative, and very much connected with the real world. And in

preparation for this discussion today, did a bit of reading myself, and from the LA Times, "Hawaii Loses Out Big". "This year organizers of a conference for Asian insurance executives moved the event from Hawaii to Honk Kong out of concern that they'd not be able to get visas for three thousand participants, most of them Chinese."

Also from the LA Times, "Boeing has lost millions of dollars because foreign customers, particularly those from the Middle East or Muslem countries elsewhere, couldn't get visas for their pilots to pick up new jets or undergo training." It's pretty hard to sell jets if you can't get somebody to come in and pick them up, you know? Gets a little difficult.

A company, Minamar, an Iowa food products trading company, a founder there, their customers include foreign outposts of McDonald's, KFC, other large restaurant and hotel chains, couldn't get visas this year for any of his top dozen foreign clients to visit his facility, and attend the nation's, America's biggest restaurant trade show in Chicago. Last year only two were able to get into the country. So these are just some of the commercial applications that we see, but I have a research assistant who works with me over at George Mason University, and she's from Brazil. She's married to an American. When she found out I was doing this she said, "I have to tell you about my grandmother." And she said, my grandmother has been trying to see her grandson here, he was born a year ago, has been told by the American consulate -- she claims anyway -- that she has to be a homeowner, have a car, have two active bank accounts, and prove that she's held a stable job for several years before she could travel to America.

Whether true or not, that becomes the lore. So the question that we should start with here, as we start from twenty thousand feet and then descend, is, can we be this open place, or be this beacon for openness, and still assure the security that we need and expect in the post-9/11 environment? Frank, do you want to start us off?

Frank Carlucci: Unquestionably we can. The approach should not be to keep everybody out, or to suspect that everybody's a terrorist. The approach should be to pinpoint those who might cause trouble when they get in here. 9/11 was not a failure of visa policy or any of the visa-givers. It was a failure of intelligence. And if we can improve our intelligence to the point where we can give that visa officer a tip-off. He's not going to find a terrorist in the (unintelligible) alone from a standing start, he's got to have some help. If we can do that we can discriminate much more readily among individuals applying for visas. I know the State Department, the government in general, is beginning to move in that direction, but we've got a steep hill to climb.

William Webster: Well I can't add much to that, I agree with it. We've been debating this philosophy of security and liberty for about three hundred years. A man named Edmund Burke, an Irish patriot in England, got up and talked about the indefensibility of both liberty and order and today in our society we call it 'ordered liberty'. It doesn't mean we have to give up one in order to have the other, they're both indispensable to the kind of society we have but we have to be reasonable about it, and I think that is what Frank is talking about. We

have to get smarter about how we employ those things that are designed to protect our security. We come under a lot of pressure in government when things do not go well. Frank made reference to some of the people who got through in 9/11, particularly the pilots who took ersatz training in Minnesota and elsewhere, and that, so the immediate idea to fix it is to make it impossible for someone to come in. That isn't going to work, and we can talk about some of the consequences of trying to seal ourselves off.

Frank Sesno: Let me ask you about something that Frank just mentioned, that we can have openness, can have open borders, and that 9/11 wasn't a failure of visa policy but it was a failure of intelligence. Having been at the FBI and the CIA, wouldn't you rather stop someone before they get into the country, rather than once they're here, and isn't that what has driven a lot of this?

William Webster: Well I think that's a fair statement. And our law leads that way. We're given all kinds of control at the border, as to who can come in or not come in. Once they come in, why the full panoply of rights of the Constitution apply to them. So the best place to catch someone is before they come in.

Frank Sesno: Which adds to the pressure on visa policy.

William Webster: Great pressure on visa policy.

Frank Sesno: Which adds to the pressure for U.S. visit or whatever, for the borders to be more than just something you step through. So Frank, how does that...

Frank Carlucci: Can I add a comment on that? Bill, correct me if I'm wrong, but I don't think, until you have citizenship, you have the full panoply of Constitutional rights. At least there was a Supreme Court ruling that said that immigrants are not entitled to the same due process as citizens. And one of the things we're doing that's detrimental to our visa policy is summarily deporting people with green cards who've been here for years, and may sometime in the past have committed a minor offense. If you stole an apple back in 1940, and you received a suspended sentence, you can be deported for having done that. And time and again, people are being deported and while you're appealing, you sit in jail and wait. That alienates the immigrant community which is one of our best sources of information on who might be coming in to do us harm.

William Webster: What they are entitled to is process. And that process in previous years took maybe seven years before somebody would be finally exported for doing one of the silly things that Frank was talking about. But there's huge pressure that comes from, "Someone got in who shouldn't have got in." The congressmen during the debates on 9/11, Senator Sensenbrenner as I remember was fixated on the issue of doing more about immigration issues. Now as I say that, I don't mean it pejoratively, but it means it tends to focus the issue without considering the consequences of turning ourselves into an unwelcoming country.

Frank Sesno: This is a very interesting and very difficult issue because there are multiple definitions for national security in the context of this conversation, whether we're going to be a leader in R&D clearly has national

security implications, and whether someone is going to get in who doesn't belong in and blow up the next World Trade Tower, is all about national security. How do you define national security in this context, and how do you apply it to visa policy?

William Webster: It's almost an empirical thing, you wish you could have a clear, philosophical definition. But the way I put it, the challenge to law enforcement and security officers is, we don't like a lot of security in this country, we really don't. And it's always too much until the day it's not enough.

Frank Sesno: Unless it fails, right.

William Webster: Right. And then we have to account to the public reaction to 'why did you let it fail?' The President's primary responsibility is to protect our national security and the citizens of this country. He does that through the Department of Defense, he does it through a whole range of other things. And he does it in terms of how he enforces visa laws and other issues. It's not a cold turkey thing. It's ... I'll give you an example where I think we lost on security. When we began to impose these visa policies on students coming in to the United States. We lost an opportunity for public diplomacy, that we had already substantially lost after the war when we buried USIA in the basement of the State Department. And we had no real people speaking for us in the Middle East. We had our own people over here arguing what a fine country we were, but we had lost the ability to communicate in places where people in that part of the world needed to hear about it. The best in my view, the best ambassadors that we could possibly have, are the students that come to the United States to learn. Back in the days of the seizure of our embassy in Iran, if we can remember back that far, we had sixty-five thousand Iranian students in this country, and so far as I know, not a single one did anything to challenge the United States or to hurt it or to carry bad messages about it. They were here because they wanted to be here, and they were going to be very important emissaries of goodwill to us in the future.

Frank Sesno: How do you operate though in a world where the rules have changed? The Iranian Embassy is a very interesting example because it was 1979, and that's when we started in Munich, you might argue, where terrorism targeting civilians became increasingly a phenomenon directed at civilians, indiscriminate, that kind of thing, where the rules aren't obeyed any more.

And there are those who would say that, whether it's students or business leaders, people who will break those rules, and who want to do great harm to America, will find the weaknesses in the system, and that's what they will use to get in. How do you assure, Frank, that openness that you're talking about, and that that openness somehow isn't going to be exploited?

Frank Carlucci: You surely don't do it by adding layer after layer of bureaucracy, slowing down the process, and treating everybody as if they're a potential terrorist. While people are telling horror stories, let me tell you one. There was a Thai princess, eighteen years old, who had a student visa and you're allowed to come in thirty days before school starts, isn't that right, Chuck?

She came in thirty-five days before school started. On the spot they put her in handcuffs, and incarcerated her, and it took a phone call from Colin Powell to Tom Ridge to get her out, and then they deported her back to Thailand, now what kind of sense does that make?

Frank Sesno: An eighteen year old Princess. I bet that made great press back home, too.

Frank Carlucci: Yeah, the word spreads around, it's electric, we don't want students. Student visas are gradually creeping back up right now. Kwaii ambassador told me he lost fifty percent of his student cohort... and it's going to take a long time to get back...

Frank Sesno: Fifty percent.

Frank Carlucci: Yeah. To get back to where we were. But going back to your earlier question on how do we define security, we have to define security in today's world in broad terms, it's not just military strength or even our intelligence capability, as important as that is. It's, as the Congressman pointed out, our economic strength, it's our intellectual capital, it's the goodwill we have around the world, what Joe Nye (?) has called 'soft power', and we are throwing most of that to the winds, or we did, in the immediate aftermath of 9/11. I would emphasize that I think the State Department in particular is making a valiant effort to facilitate the process, and get us back to some sort of sanity on our visa policy.

Frank Sesno: You mentioned a moment ago "layering", and you said layering doesn't work. Would you talk about that for just a moment, explain what you mean, and what's not working?

Frank Carlucci: Well, adding layer after layer of review of the visa applicants...

Frank Sesno: The interagency reviews?

Frank Carlucci: The interagency reviews. We now have the point where there's a master list at the State Department, it's done electronically. But nonetheless, when that visa applicant comes into the visa officer, the visa officer has to punch a button that sends it to every agency again for clearance. Well, you would think that once is enough, and that's the kind of layering we need to get rid of.

Frank Sesno: If you were running the FBI today, what role would you want to have in this visa process?

William Webster: Oh. Well, I'm tempted to say, "as little as possible".

Frank Sesno: Just because you're with a friendly crowd.

William Webster: As a matter of fact, I think we're still sorting out how this is supposed to work. When the Department of Homeland Security was created, and subsequent to the executive orders, certain authorities were reposed in those agencies, among those twenty-two agencies of the homeland security that were all moved into one place, responsibilities for what they're now calling law enforcement. At one time, as I read the statute, I thought it called more for setting

certain kinds of policy and leaving it up to the State Department to implement the policy through the granting or denial of visas. It seems to me that there's still a little confusion, there's even some White House involvement, because this is a sensitive issue, and to hear the Congressman talk you know they're paying attention to what people are saying about the impact on American business, the economy, not to mention our public diplomacy abroad. So it seems to me that the important role for the FBI is to be sure that intelligence issues are properly communicated to the right places in a timely way, and that's not easy to do.

Frank Carlucci: As the FBI Director, would it make you feel, does it make you feel better to know that visa applicants have to have an interview, face to face before they come here, because that surely slows things down.

William Webster: Well, I'm really going to beg off trying to do the nitty-gritty of what's required. An interview is useful in some respects. Perhaps, if I can look for analogs, one of the most useful interviews occurs in Detroit, every day, when more people in trucks come into the United States than from any other point, it's not generally known, a bridge and a tunnel there. And they have key interviewers, who meet them as they come in, and ask them key questions, and decide whether or not they need to be looked at further. If they are, they're politely shuttled into another line. If not, they're waived on through. So I think interviews can be useful in the hands of skilled people. Like I tell a true story that happened during the period that I just mentioned, during the period of the Iranian hostages. There was a deputy sheriff on the panhandle of Texas who stopped two students heading back to school. One was a Saudi Arabian, the other was an Iranian. And he took a look at them, and he said, "Are you some of those Iranians?" This was an interview. The driver said, "We're Saudi Arabian." "Oh", he said, "speak Saudi". That's not a very good form of interview.

Frank Carlucci: I'd say something about speaking Latin, but I suppose that would be inappropriate this time. What about biometrics and technology? Is that, Frank, you feel...

Frank Carlucci: I think ... well, the Congress has mandated biometrics. And a good deal of progress has been made, the new Passport coming out with sort of guarantee, because it's got a sort of chip on the back, as well as the biometrics on the front. You can overdo it, they're talking about the number of fingers that need to be fingerprinted, Bill's more of an expert on that than I am, I don't know if that's necessary. But biometrics by and large I think can speed up the process. Will there be retaliation? Who can tell. I don't think the other nations, most nations around the world don't have the capability to do so, that may be an advantage or it may be a problem, time will tell.

Frank Sesno: Let me ask you both, I'm going to talk to the audience in just a couple minutes, and pick on Clark Irvin. Steward Verdery, who helped compose some of this, will be speaking to you in just a moment, so I'll spare him at this time. But you know, you have both had a remarkable perspective on the way government works, on the way national security works. If you were in these positions now, and it's really why we're here today, how should we be framing this conversation, with the Congress, with the public, with the world? Because

clearly, this is not in America's interest, these laws of unintended consequences here. How can we frame it to get peoples' attention and get things done?

Frank Carlucci: I think first of all we have to stimulate a public dialogue, which is why I spoke to John and David about having a conference like this. People have to understand the dimensions of the issue, and how it is impacting adversely on our national security. And it's important. Most people think in very simplistic terms, "keep 'em all out". Well, in the long run, that's going to damage our society severely, and people need to be taught that that's the case. I think, I can remember the Congressman was right, when he said the President has to get involved. He has to get involved as the nation's leader, on this kind of an issue. He's the one that can carry the message to the public. Obviously no one wants to be the person who lets the terrorist in, if there's another terrorist act, God forbid. But we have to have faith in our process, we have to set up a process that has integrity, that has common sense to it, and live with the mistakes that will inevitably be made. I asked (?) the other day, what incentive does a visa officer have to give a visa? Every incentive is not to give the visa. She said, well they're trying to set up a system where he's measured on the process he uses, not what the individual might do once he or she gets into the United States. Well, that's one approach, we'll see if it works. We've got to provide some incentive to these people to take a broader view of national security.

William Webster: I agree with everything Frank said. If looking again for analogues, I think we made remarkable progress when we shifted to a federal agency on airport security, and began to provide additional incentives, as well as disincentives, to the people who do their job and do it well. Time seems to me to be the unspoken enemy here in all of this, it's to delay. Delay is costly, if people can't come because they have to meet schedules, they're not allowed to get in in time, they don't come, they're afraid to come, and we're losing all because our system does not do it in an expedited way. The suggestion of having a business visa I think is one that really ought to be explored more seriously, and one that where vouchers, people who can vouch for people, other types of techniques to speed that process, instead of letting it go from one to another, pushing another button, having another interview. If you have biometrics, I think the whole idea is accuracy and speed, but speed's important to it.

Frank Carlucci: Let me mention one other thing, Frank. On the subject. Training. We need to train our people, particularly at the ports of entry, and train our visa officers, and train our security people, so that they do their job of course, but they also understand they're dealing with fellow human beings, and people who deserve a certain amount of respect.

Frank Carlucci: Clark, I'm wondering if I could call on you here. Obviously you weren't at State, you were at Department of Homeland Security, but at a pretty critical time, and you also looked critically at a number of different things, your perspective on this, and what's right, wrong?

Male Voice: Thank you. Actually I was at the State Department as well, I was the Inspector General at the State Department at the beginning of the

administration, before becoming the Inspector General at the Homeland Security Department.

Frank Carlucci: Were you there post-9/11 at State, when the visa regulations were changed...

Male Voice: I was, actually, and indeed one of the recommendations in our office was that we dramatically increase the number of visa interviews. Before 9/11 I think the percentage was around three percent of applicants who were interviewed, and of course now it's around eighty percent or so.

Frank Sesno: From three to eighty.

Male Voice: That's right, so it's been a dramatic increase. My question really is in the form of a comment, and the question for the panelists is whether they agree with it. With all due respect to the Congressman, isn't it the case that in part, and I say this as a conservative who's generally opposed to more government spending, that the issue really is one of more resources. In order to speed up the visa processing, we do need more visa officers, and not just bodies but trained visa officers as you said, Mr. Carlucci. And also, we need more intelligence analysts, we need the biometrics and training you just mentioned. That all requires resources surely. And secondly, isn't it also a question of education. We have our colleague, Lou Dobbs, talking every night about the flip side of this issue, and it seems to me the argument we're making here is made to a very cosmopolitan, rarified crowd. We need to educate the average American about the importance of this issue to the national security of the United States.

Frank Carlucci: Absolutely, I couldn't agree more. I think it's right on. Yes, we do need resources. By and large the lines are down, but there are certain countries, India being one, where there are still enormous lines. If you're going to mandate a twenty-minute interview, and the Congress has mandated that, you're going to have to have people who go with it to do it. Otherwise there are going to be lines, and lines don't help you.

William Webster: I think what we want to be sure is that we're not layering. If we expand, we expand where it's necessary, and that they're properly trained. Not just adding another back-up layer, check-check-check type thing.

Frank Sesno: I want to follow up on something that Clark said, because the world I come from, and something I think about a lot, and that is, the degree to which the sort of background noise, the public debate and conversation, is adding to this and making this more complicated in your view, yes absolutely, Lou Dobbs is not alone. Goes on the air, and encourages a public conversation that essentially says, we need to keep "them" out, because one of "them" may hurt us. And I'm not sure that the public is making the distinction between a business visa, needed for competitiveness, or a scientific or cultural conference here, and the "them" who are the bad guys. I don't know how the public in this conversation influences you at the highest levels, who have to run this conversation.

William Webster: There's plenty of influence as you begin to get outrage, but the focus really if I listen to Lou Dobbs, his focus is really on borders, broken

borders. But he's talking about people walking through, secretly, clandestinely. Maybe he's talking about visas too, but the fellow with the visa is coming and presents himself, and says, I have permission to come, I want to come, I'm coming through legally. It's the border issue that needs more and more attention, and probably more and more resources, because you can't guard our borders with what we have today.

Frank Sesno: Frank, how would you change the public debate, how would you educate...

Frank Carlucci: I'd fire Lou Dobbs, for one.

Frank Sesno: I have nothing for you on that.

Frank Carlucci: I think, I think this is an issue that the administration should put the President on the airwaves.

Frank Sesno: Is it going to take a President of the United States to do that, we're having this conference here, clearly you'd like something to come of it, and some influence to be heard, and had...

Frank Carlucci: Well, if Congressman Manzullo can start a real reform caucus on the Hill, that would be helpful. Public education, if everybody in this room were to go back, and talk to several people about this issue and try and enlighten them, it would be helpful. If our schools and colleges, and I know they're already doing this, were bringing this issue up in the classroom setting. We've got many schools and universities starting national security studies. This should be an integral part of national security studies. Generally overlooked. People who say, well that's a mechanical thing. Well, it's not. Not anymore. When I used to stamp visas, it was pretty much a mechanical thing. But now it's a national security issue. And the visa officer should be our last line of defense, not our first line of defense, as Bill said. I think it requires effort on the part of all of us, to stimulate the public dialogue on this very important subject.

Frank Sesno: I'm wondering if I can turn to John on this question, comment/question, and then we'll open it up for discussion. You have spoken passionately about how our borders should not be the first line of defense, and the imagination that's required to get beyond that mentality. I wonder if you could expand on that for just a moment for the purposes of this discussion.

John Hamre: Frank, thank you. I think it's understandable that people use physical analogues to conceptualize complex reality. And unfortunately we're using as a model here to protect the country, the same way we think about putting locks on our doors, or locks on windows, or a fence around the yard, as if that represents security. Rarely a terrorist is going to fill out a visa application, and fill in job application, terrorist. We're relying on them to identify themselves and of course they're not going to do that. We have got to start being smarter about discerning the risk. And if we can't tell the difference between a 57 year old businessman that has an affiliation with a company and an unemployed male at the age of 21, coming from a country with no job history, shame on us. It's... we've made profiling such a negative term in this society, we are not being wise about how to assess risk. So I think it has to start by, let's take a very complex

problem, and break it into the important pieces, and then take the most important ones. We're wasting far too many resources screening the innocent, that we could do with a bit of discernment, and we could manage this resource allocation process rather than just pretend that there is a border around the country, and everybody absolutely has to go through it precisely the same way.

Frank Sesno: So let me frame the question to you and to the two gentlemen this way, then. Can you accomplish what you're talking about, and enhance security, at the same time?

John Hamre: Well, just to say, I personally think we absolutely need to change our visa program, because I think it gives us false security. We're thinking that having this onerous process is really buying us strong security. The dedicated terrorist is not going to be standing in a long visa line, waiting to be interviewed by a visa officer. Not going to be standing in a long line trying to get through customs at Dulles.

Frank Sesno: But you could say that at least this makes her or his job harder, getting in.

John Hamre: Well they are far more clever. These are people that can walk across a lot of parts of our borders, there are lots of other ways that they can get entree without standing through the formal government systems that we put in their place. So we need to be far more alert. Frank Carlucci said this earlier -- we need to start working from the inside out, not the outside in. We're starting by screening a hundred percent of everybody, hoping to find one or two that we worry about. We ought to start with that seventy thousand people that we know in the world that are suspect affiliates with terrorist organizations, and build out from the core, not start from the outside and work our way in. We've got the model wrong.

Frank Sesno: Gentlemen?

Frank Carlucci: Couldn't agree more.

Frank Sesno: But how do you do that and enhance security? I mean, I can hear, I wouldn't mind being the talk show host to interview you, and take the calls, I mean I know what we'd get. We'd get, "It sounds very nice, gentlemen, but that next student who comes in, and they're going to come in, they want to imbed themselves in society, they'll live here patiently for four years, you can't relax now, you can't get complacent just because we haven't had a 9/11." Am I wrong? Isn't that what it's going to sound like?

John Hamre: I'm not saying relax. What we need to do is to not put a hundred percent of our confidence on a border screen, I mean the average person is interviewed for less than a minute. That is not a security screen. We need to have better surveillance domestically of people we worry about.

Frank Sesno: Bill, why don't you talk about that, because you know this world, intelligence, inside and out.

William Webster: I don't think I'm going to make very much sense, but I'll try to say something. Dick Walters, who some of you remember, Vernon Walters

was our ambassador to the United Nations and then ambassador to Germany. Before that had had Frank's job as deputy director for Central Intelligence. And in his book he said the American people are always ambivalent about intelligence. When they feel threatened, they want a whole lot of it. And when they don't feel threatened, they wonder if it isn't just a little bit immoral. And in my lifetime there have been cycles. The Church and Pike Committee reports, devastating attack on intelligence gathering. Now we have the Patriot Act that says, get busy and get it and share it with everybody. I'm exaggerating, but these cycles go in our society, depending in large measure on how frightened we are about what's taking place. And then when we get the security people weighing in because they're under huge pressure to do that, and not necessarily being concerned about rights, and I'm talking about rights of American citizens, as well as people who want to come into the United States. That works for a while, and then people say, what's going on here? This isn't the kind of country that we should be having. So we have to keep our compass pretty squarely centered on a balanced approach to security and liberty, and when you have economic interests and diplomatic interests which are also being affected by it, we have to be very careful that those protection methods are not over-reaching, and less effective than they ought to be, in terms of the cost that goes into it. I think we need to work on the biometrics, we need to work on better intelligence gathering, by which we can share what we already have, with other agencies in ways that protect privacy interests but still make it possible to be on the alert for someone who is here legally but is beginning to act in ways that we are concerned about.

Frank Sesno: Does that address what John was talking about, working from the inside out?

William Webster: I think in part, yes, I think in part, yes.

Frank Carlucci: Well, let me re-emphasize that the key to this is better intelligence, I think we can all agree on that. But it's not a simple thing. You read in the newspapers a couple months ago that the President wanted to double the number of agents. Well you don't just double the number of agents, effectively penetrating North Korea or Iran overnight. You have to build a relationship. And that means building a relationship among the people who are friendly to the United States and working from that inside out, and it takes a long time, particularly for a non-official cover officer, somebody who's not in an embassy. And it also requires something that as a society we don't do very well, and that's keeping a secret. When John and I testified on the intelligence bill, I made that point and it went over like a lead balloon with the committee. Well imagine that you're somebody in a terrorist group, and your CIA contact approaches you and says, I'd like you to help out, and we'll provide for your family and do all these kinds of good things, and you think about the Freedom of Information Act being applied to the CIA and FBI, and you think about all the leaks, you think about Congressional investigations, do you come out saying, gee I'd like to have my name on your roles. No, it's very hard. And it's going to take a long time. I think George Tenet was asked how long it'd take to rebuild our intelligence capability, I think Bill, didn't he say five years? That's probably an underestimate. So I think we have to get serious about this and do it right, and then as Bill mentioned, the

proper dissemination. Yes we need to disseminate the information, but not to the point where we compromise sources and method.

Frank Sesno: Let me open it up to some questions from the floor now, and mix this up a little bit if you'd like. There's a question over there if we've got a mic, otherwise you can scream. I think we've got a mic.

Audience: Thank you. I'm Rob Quartell, I spend a lot of my time on container security. Seems to me a lot of this conversation is about a failed paradigm. Talking about visas and the mechanics of it, the Congressman, with whom I agree, mentioned business visas, but for example, business visas -- to some people, tourists are business, particularly down in Florida, here in Washington, D.C. So whatever you do, in my mind it's addressing the symptom, as opposed to the fundamental disease, which is that we've abandoned kind of the moral high ground on which the country was built, which is that of an open society. Our whole policy at the border is denial of entry, as opposed to open arms. And what I don't understand, is why don't we just recognize these decades of a policy that has failed, and I think you mentioned that if we were going to have a terrorist come in, a determined terrorist is going to get in anyway, and the symptom of that is that we have two and half million so-called illegal immigrants here already. So whatever we do, doesn't work. It hasn't worked for decades. So why do we keep doing it? Why don't we change the policy to an open-arm policy, where anyone comes in, they are screened somehow, identified, they monitor themselves and eventually if they're interested in becoming, they become citizens. Why not change the paradigm?

Frank Carlucci: Well, there are fairly simple things that one can do. With biometrics you can identify criminals, people who have a record, people who might have been engaged in past terrorist activities, and there's absolutely no reason why we shouldn't keep those people out. I don't think you can just throw open the borders, I've not heard anybody argue that, although we do have visa waiver countries, and we have that program, which is working by and large pretty well. So I think you have to have some controls, but they have to be sensible controls, not the kind of controls we imposed after 9/11 where we said everybody is suspected of being a terrorist.

Frank Sesno: But is there a paradigm shift? I mean, it's a very interesting question, because the presumption now is, I must say, just having traveled and come back into the country -- we've all flown, right? I mean often you feel more like a suspect than a customer anyway. Just at National Airport coming up to New York. But if you're coming in this country, and you hold a passport that doesn't say United States of America on it, and you see the signs about U.S. visit and all the rest, you might be forgiven for feeling like someone wants to know very much about you, and yet, that is the paradigm, and that seems to be what we want. How do you change that, or do you?

Frank Carlucci: I go back to a point I made before. I think we need better training, particularly for those INS people at the port of entry. They have on occasion brutalized people. I'm sure everybody in this room has had a bad experience with an immigration inspector at some time or another. We either

have higher quality people, better training of people, and a policy that discriminates, as John Hamre was saying, between the eighty year old grandmother and somebody who really might be a potential terrorist.

Audience: I'm Tommy Grand, and I'm with him. He's from Georgetown. He is so correct in that we need to discover, what do we want from immigration. What kind of immigration do we need in this United States. 9/11 was just 2001. We had immigration policy years before then. What was the purpose of immigration? So I think we start at the top, rather than at the bottom, keeping people out. Determining who, what, why, when, where. Then from that we discover what the rules and regulations are. Apparently there are rules and regulations governing immigration that work and don't work. For example, the family that applies for permanent immigration, they're approved, but they wait seven years, and they become great citizens, from whatever country. Then there are people who will take it into their own hands. We don't want to wait seven years, I'm going to lie on my visa application for tourism, and come, and I'm going to stay. And maybe while I'm here I'm going to have about four babies, who are U.S. citizens, and so forth and so on. Then there's the people who walk across. Then there are the people who are business people who just want to come, who go, which is the purpose of a visa. No one's defining the purpose of the visas, either for permanent immigration or for visiting, whether it's for business or pleasure. So we need to know what we're talking about. It's great to have ideals, it's great to have wants and wishes and to include everybody, but we have to be fair. What are we talking about in this country? I want to add one thing that's kind of cute and you can laugh. As an Afro American I have to say, my people did not immigrate, we came here. We're probably the only ones who didn't immigrate, we came here forcibly, okay? But everybody else came, for some wonderful glorious reason - or not. And we have to get back to what he said, what do we want? And I'm done, thanks.

Frank Sesno: You've just actually brilliantly I think put your finger on just how big and wide and complex this issue is. We're talking about visas here, we're talking presumably about non-immigrant visas here today, if it's business or student or whatever, but you quickly get into a conversation about the eleven million illegal immigrants in the country, you quickly get into the conversation about Lou Dobbs and broken borders. So if you're going to focus a conversation, Mr. National Security Advisor, you want the President to go out there, if you're going to focus this issue for both a policy and a public awareness effort, how do you do that, where do you start, how do you break it out?

Frank Carlucci: Well you break it out, as we have done to a certain extent, into categories of individuals. We heard the Congressman on businesspeople. We ourselves in Carlyle have had that experience too. People want to come in and give us money, we can't get them in.

Frank Sesno: That's disappointing.

Frank Carlucci: So we need to facilitate the business activity for our own economic health. Students -- we've been the intellectual capital of the world, in some measure because of foreign students. We need them, we need to have

them continue to come in, we need to find a process that is fair and expeditious. Science and technology, science and engineering -- half the engineers in this country are foreign-born. We need to keep that flow up as long as we're not producing the necessary scientists and engineers in our own society. And then there's tourism. That adds to our economic value, only on a one to one basis, not like business people, or scientists and engineers, or even students. And then we have to decide who we want to allow to live here, and countries have different quotas, and it's the Congress in consultation with the administration that determines what these quotas are, so I think there is a system. I think it's broken. I think everybody in this room probably agrees it's broken, we've got to fix it, but I don't know that you can suddenly reach up and pull the magic bullet down and change the whole system and make it all right.

Frank Sesno: Do you want to add anything?

William Webster: It's dangerous ground to get into, but I'm trying to keep it focused more on the, you've set the stage, the much broader subject but I don't know that we can address it. There is one factor that should be mentioned, if it needs reminding. We have experienced, after 9/11, a new kind of enemy in our country. An illegal, not in uniform, not aligned with any state. Part of the job of the FBI for years and still is, is to catch spies of foreign countries who wish us ill. Technology transfer was one of the means by which the Soviet Union came over, sent people over under various guises to steal our secrets. We do not have, we're not dealing as much, we had that problem, but what we're confronting is people organized but not aligned with any country, not subject to any rules, not subscribing to the Geneva Convention, and what do we do to identify and keep these people out, or find them when they're in here, and move them out. It's a special kind of circumstance.

Frank Sesno: And the parallel discussion, it seems to me, I'll come over to your question, back to it. Clark, you know this well from your work over at DHS, and Stewart, you know, Tom Ridge as Secretary probably said every day, we have to be right millions of times, they only have to be right once. And so that sets the other paradigm, that sets another level of expectations. Come back in just a minute, but let's get a mic to you.

Audience: My name's Raster Horn (?), I'm a British historian, I'm currently working at the Library of Congress on an authorized biography of Henry Kissinger. I was asked to come today as a recent victim of the Great Wall of America. Vague comment but might be of some interest, I hope some relevance. I have written some twenty books, and I think my credentials of being an unashamed pro-American are pretty well identified in this country. But I came here a month ago, on a business visa. It's called a J1, it means I can earn money in this country. Nevertheless, although everything was in order, I was stopped at Dulles, and treated really pretty disgracefully. The officer asked for supporting material, which I had difficulty producing. I did produce it. Nevertheless, I was transferred into a cell, in front of a so-called superintendent with a revolver at his hip, and I waited there with some other illegal immigrant suspects. It was very unpleasant indeed. And I tell you, I very nearly thought of just simply heading

back home.

Frank Sesno: Literally, you were in a cell?

Audience: Yeah, yeah. Well, by a cell, I mean a place with no windows. But it was the same thing. And I had an hour and a half confrontation. I have actually written about this, it's not anything new. But the point I'm making is, if I sound critical of the United States, I don't want to seem so, because we have exactly the same problems. So if I say you, I mean we. I don't know how badly treated Americans are, going to Britain. I don't have experience of that. You don't have experience of how extraordinarily unpleasant it is to get a U.S. visa in London.

Frank Sesno: What did you have to go through to get the visa?

Audience: One whole day, wasted, in the U.S. Embassy Consulate in (inaudible) Square, being treated like a suspect, an unwanted immigrant.

Frank Sesno: Did you have the face to face interview?

Audience: Oh yes. But a long, long queue. But the whole atmosphere is so unpleasant, I wouldn't want to do it again. And there's this business here. I don't want to complain any more about this, but I do think it is something worth considering. I've listened to the speakers very carefully about how you've lost business through people not being able to get here, or not wanting to get here. I do think it's very important, but if I may say, I so totally agree with the two former members of the CIA. What we are confronted, both in my country and here, we are on the defensive. And we've built walls, we're building walls that are getting higher and higher. Look at Blair House, it looks like a bloody (inaudible). It's unbelievable. And this seems to me is quite wrong, because you can waste your resources, as the French did in 1940, building an imaginary line, the Germans go around it. What we need, more and more, is active intelligence, intelligence -- and of course I know what Mr. Carlucci said, it takes twenty years to create a... and what the Church Commission did in your country, and what is being done in my country (inaudible) is terrifying, it takes twenty-five years to address. It seems to me, if I can make a relevant comment, absolutely imperative that we stop knocking the CIA, stop knocking (inaudible), and think about ways in which we can actually improve the active gathering of intelligence before, as you say, they get here.

Frank Sesno: Thank you very much. We're glad you got in the country. Comments? Gentlemen, Frank?

Frank Carlucci: No, I think he's right. And good illustration of the kind of problem we're facing.

Frank Sesno: When you, I'm just curious, when you were at the Embassy going through that visa process, how many people were there? Was it a mob scene?

Audience: There were about, at a rough guess about a hundred, I would say.

Frank Sesno: And it took you literally all day --

Audience: Well, I have to say, I was allowed to jump the queue, on the grounds of extreme age --

Frank Sesno: They figured you didn't have that much time left?

Audience: And unashamedly with some inside pull in the Embassy. But still it was disagreeable. And I don't feel that if I had been a bad guy, that it would have stopped me from getting in.

Frank Sesno: And you feel that if you were doing this, as a business... just as a person, and you had to face this again, it was so unpleasant you'd really think twice about even...

Audience: Well, I think I would, actually. Well, I'll answer the question next September when I'm coming back, I'll see if they let me in.

Frank Sesno: We'll get you some friends in high places.

Male Voice: I mean, that's...

Frank Carlucci: They claim the lines are shorter now. You'll have to doublecheck it, but I was told yesterday that the lines are considerably shorter.

Frank Sesno: Certainly in those laws of unintended consequences. This, and the, you can't measure this in dollars. You can't measure what impact that has in any tangible way. That's one of those elusive things, but costly.

Audience: I'd like to be informed about how much it is costing the United States, all the levels of security.

Frank Sesno: Well, there are various studies, the Santangelo study was referenced earlier which cited about thirty billion dollars in lost business, shipping delays, that kind of thing, but I'm not sure how specific, and how much we can bank on that, and I don't know that you could measure those who have heard stories and don't even bother to go through the process.

Frank Carlucci: Frank, earlier on you asked how we can stimulate a public dialogue on this issue. One thing we can do is support those people, particularly in the State Department, that are trying to make positive changes to the system, (inaudible) in particular, because they are constantly accused of being pro-foreigner, 'you want to let all those foreigners in', that's the blanket accusation that is made, and they need a body of support, we need a real pro-reform caucus.

Frank Sesno: Let's take a couple more questions from the floor. Let me, this gentleman here in the back, and then we'll come up front.

Audience: I'm Matt Doyle, from BAE Systems, we're a defense contract, I'm in export control, and we look at foreign nationals coming into the workplace every day as an issue, but I have to believe that the U.S. business policy, business visa policy and the constriction on it, is not simply a way of taking a hard look at potential terrorists, that's not what it's being constricted for. I mean, there's not much motivation for the Chinese, or the Indian businessman, even if he's a tool of economic espionage by the government, to shut down the U.S. economy by causing a terrorist incident. That's the worst thing for this economy,

is to lose all that income coming from the U.S. trade. So there has to be another aspect to this constriction of the business visa access, and that probably is related more to fear of economic espionage, fear of the foreigners coming in and stealing all our trade secrets, and I think that has to be looked at as part of what's going on with this business visa policy, not, surely, 'we're looking for terrorists and they could be from these places we traditionally do business with'.

Frank Carlucci: I'd like to encourage the business community to get organized on this. We have Vicky Weil with us, who is with BCIU and has been engaged in a dialogue on this subject. I don't think business -- correct me if I'm wrong, Vicky, but I don't think business as yet has made its full weight of influence felt, am I correct?

Voice: Right. We're working on that.

Frank Carlucci: We're working on it, oh. I have great confidence in Vicky.

Frank Sesno: We're going to engage, I think, the business dimension of this in a subsequent panel, I think that's something we really want to hear more about. Comment on that, that it's not just terrorism, that there are other considerations, and other questions at work here?

William Webster: There may very well be, the whole history of immigration has been a matter of reassessing policies, keeping people out for various reasons, letting favored nations coming in, and I agreed with everything you said except I don't know it produces the conclusion there's some kind of conspiracy, isolationist, protectionist approach. Certainly that's not a justification for what's happening in terms of the visa policy.

Frank Sesno: Right down in front here, and then I think we're going to move towards a break.

Audience: Sandy Boden[?], Nextel Communications. You mentioned the importance of relationships, and it dawns on me that there seems to be a lack of public/private partnership in figuring out the business visa aspect of this. Is there a collaborative movement in place right now, is there a way to get leadership from the business community to help with this business visa process?

Frank Carlucci: I'm not sure I understood the question, you mean have the business community actually administer...

Audience: No no, but I'm not so sure that they, my sense is that there's a lot more victimization on the business side, in other words, businesses are suffering as the Congressman pointed out, because they can't get people in through the business visa process, so is there something that the business community could do in partnership with the State Department, with government, as we do in homeland security...

Frank Carlucci: That's precisely what Vicky is working on. I think the business community is beginning to do some of that, but Vicky, speak up if you want.

Voice: We are...

Frank Sesno: Can I ask you to stand? Let's get your mic, Vicky, and we'll

all be able to hear you.

Audience: Vicky Weil, BCIU: Thank you. I'm Vicky Weil, with BCIU. We are working alone and with a committee, on immigration and visa policy, and also with Bill (inaudible) in a group coalition of businesses and trade associations to try to continue dialogue with both state and DHS on the issues that we confront. Some of them are just, they are barriers that we can't surmount at this point, examples include our attempts to have a trusted traveler program, a fast track program which has not been implemented...

Frank Sesno: You can't get that off the ground?

Audience: Can't, has not gotten off the ground.

Frank Sesno: And why is that?

Audience: One of the problems is that a fundamental issue in visa application is that the onus is on the applicant, to prove that they have no intent to immigrate, or to prove that they are coming in for bona fide reasons. When you have a trusted traveler program, the applicant hopefully would be the company, attesting to the merits of that person coming into the country, and that right now legislatively is not permitted. So that's one barrier. We've also looked at secure websites, and we've offered to provide the technology for those secure websites, so that companies can use their letterhead to attest, and my friend here Rich Butel, he works for Congress, and Congressman Manzullo has shown me a sheath of counterfeit letterheads, so there's a lot that the business community can do, in concert with the government, but it hasn't yet happened on a technical basis.

Frank Sesno: Okay, thank you. Any comment here?

Audience: Yeah, I'm Bill Rines(?) from the National Foreign Trade Council. I have a few minutes in a minute, but in response to the question, to follow up on Vicky. There's a couple reasons I think why companies in specific have been reluctant to be too public about this, one that surprised me a little bit, but makes sense if you think about it, is that if they are too public in articulating a specific problem they have, what they are essentially doing is telling their competition where they're trying to market, and where they're having problems, and they've been reluctant to be very revealing about that information. I think a lot of them don't want to be too confrontational, and so what we get is an awful lot of grumbling, but some reluctance to grumble publicly with an administration that they otherwise support, for lots of reasons. The other point I'd make, we are working with Vicky, and I think she just discussed, and I won't go over those again, we have in the past had a lengthy dialogue with the State Department, on an idea of involving cooperation in which businesses here would assume some obligations with respect to their travelers that were coming here, either their employees or their customers, and that is, make some commitments about what they were going to see, where they were going to visit, and as you'll see when we get to the next panel, this isn't really about terrorists, it's about spies as far as business travel is concerned, it's about technology transfer. So companies can make representations, they can also tell the State Department, well, yes, this is

really the person we invited, and we really did invite them, and they're only going to come for this period of time, and we'll make sure they get on the plane and go back, which is not an insignificant commitment. The State Department basically rejected that kind of offer, saying the relationship was really between the applicant and the government, and not the American third party if you will, so we didn't make a lot of progress on that.

Frank Sesno: I saw a question over to the side here, did you have a hand, no? I've got Stewart, and then a gentleman in the back. Stewart, let's come to you.

Audience: Steward Verdery. Do this very quickly while these gentlemen are on the stage, I'll just say, even if everything were working perfectly in visa policy, we'll have a chance to talk about that a little more, and everyone's concerns were dealt with, what percent of the drop-off in travel and otherwise peoples' interest in coming to this country you think is attributable to broader factors around the world, the image of America overseas and those kinds of things, even if our systems were working well, even if they were reformed as everyone would want?

Frank Carlucci: Well I think it's part and parcel of the anti-Americanism around the world. I don't think we engender a good feeling toward Americans when we treat people coming in as this gentleman was treated, or when we treat them like the Thai princess was treated, or when we (inaudible) immigrant community, or when we give an image, where did we get this image after 9/11, that we don't want you here. And after that, a number of foreign policy issues which antagonized certain parts of the world, in particular the Muslim world, I think we're compounding our own problem.

William Webster: I agree with Frank, I think we're, perhaps we are experiencing the pendulum factor which often dominates particularly first an expression of policy by the legislature, laying down something in a reaction of constituents at home, but I think that the chances are very good that we will not become more restrictive but will become more smart about how we do this. You look at the European community, and how they have practically taken down their borders and avoided all this, with no noticeable increase in terrorism or other activity.

Frank Sesno: I was astounded, I was just astounded when I was on my recent trip, on just how pleasant it was actually, arriving in...

Male Voice: What about Spain?

Frank Sesno: Spain? I was in Spain, I went to Spain just a few months back, actually, and I was quite shocked there as well, and the airport security, compared to our airports here was, you know it's just a very different thing, I'm sure most of you have traveled recently, and the difference is noticeable. There can be an unpleasant time, but it's a very very different feel and experience I think. There was a question in the back. Sir.

Audience: .. political group and more importantly for this conversation, retired CIA officer and I've had the pleasure of working with both of these

gentlemen in the past. I would challenge the statement that intelligence is going to be our best defense in this particular case. Particularly as an intelligence priority. If I were back in the intelligence community, either in the technical or humint side, I would focus my collection on the leadership and not on the warriors, the soldiers that are trying to get into the United States as a way of defeating terrorism. Secondly I think the visa policy - - take the grandmother's case we mentioned earlier of having to show that she owned a home, a car or had some credit cards. That's due diligence and I think we need to do that. Because there are mechanisms using that information that you can determine, or make some judgements about connections with terrorism or espionage or any other evil thing that you want to do. Saying intelligence is one thing, giving it some specificity in terms of the role it should play is something else. And if you have something more to offer, I would ask you to do so.

Frank Carlucci: I don't think that going after the leadership and the foot soldiers is mutually exclusive. In fact one way to get at the leadership is get the foot soldiers to talk. So I think we need to do both.

Frank Sesno: I would like to ask you both to sort of wrap things up by providing something of a roadmap from your perspective. We've talked about a lot of things here today and we're going to go into more specificity in some of these sectors in a subsequent panel. We'll hear from Stewart in just a moment. But from your perspective, whether it's engaging the public, whether it's engaging the private sector, what would you like to see happen over the next 12 to 24 months? If this process is going to be engaged and some of the things are going to be fixed that you think are now broken, what do you think can and should and needs to happen?

William Webster: Well Frank that's a tough spur of the moment question I don't have a fast answer, but I would test what we do and ought to be doing and what we ought to slow down on doing against an important standard about who we are, what this country stands for. The Statue of Liberty is out there and it means something to us. And not only that but you can find other interests which we discussed. You'll hear more this morning, I think, on the damage to our country through a blind effort to shut off any possible risks that may be out there. I think we have to improve our ability to detect. I think intelligence is responsible and important in trying to get there before a bomb goes off. Otherwise your going to be investigating a crime. What we're trying to do is prevent people from being harmed. People coming into the United States are potentially harmful to us. But we ought not to view them in that way. I think that the presumptions ought to go the other way as long as they present reasonable credentials and that the requirements for those credentials are reasonable and timely. And that we find ways to move this process along more quickly so that respected citizens are not imposed upon and the system bogs down because everybody is being treated the same way even though common sense tells you they should be treated differently.

Frank Carlucci: I think we need to reverse the terms of the debate. Right now the debate is how we can tighten up and better protect ourselves. I think the

debate has to be why is the current system damaging our national security, particularly in the long run. Starting from that premise I think we have a much better chance of fixing it. That pretty much sums up my view.

Frank Sesno: I would like to thank Frank Carlucci, William Webster, and welcome Sir Alistair here. I am very glad you made it into the country to be with us here and to do the work you are doing on your next book on Henry Kissenger. We're going to take a break now for coffee and anything else you may have to do while your tray tables are up and locked in the upright position. Thank you very much.

[Applause]

Senate Initiatives

John Hamre: We want to get started. Even though they have left, I want to say sincere thanks to Frank Carlucci and -- Well, Bill's still here. Bill, thank you. I'm delighted you're still here. It was just a superb presentation, thank you. [Applause] Our concept was to say we do have a very valid and legitimate security issue, but this isn't the way to fix it. We've got to find a new way to fix it and that's why it was so important to hear these leaders speak to us here today.

Just a couple of administrative things. Since this is a constituency that is widely interested in the question of America's vitality and its openness in society, I'd like to let everybody know this Friday the National Academy of Sciences is holding a conference over at the Academy facilities looking at the deemed export issue that the Department of Commerce is churning around about. Those of you that, you think visa's arcane, wait until you get into deemed exports, this is a nightmare. It really does mean that all of us that have a tremendous interest in seeing the competitiveness of America continue, we've got to pay attention to this. This is a big issue. I think it starts at 8:15 in the morning, so please come and join us. We're very proud to have a partnership with the National Academy on these issues.

Let me now turn if I may to David Wilson again to introduce presentations that we have from two Members of Congress who for scheduling reasons couldn't be here, but they wanted to be a part of this day.

David Wilson: Thanks very much, John.

Just one quick personal observation. Sir Alistair, you dredged up a memory that was 30 years old, when I was in San Antonio trying to get my green card while on the faculty at the University of Texas, and it wasn't quite as horrifying as yours, but it wasn't far off.

We're very fortunate to have joining us by video Senators Bingaman and Coleman. Senator Bingaman is going to focus on the importance of keeping our

borders protected, but at the same time allowing the free-flow of ideas and students who want to come to this country to learn and contribute as we go forward to our society. He'll be talking on video about the bill that he has introduced together with Senator Coleman.

So as they say, let's go to the videotape.

Norm Coleman: First I want to thank CSIS for the opportunity to make my presentation to you by way of videotape. The Senate is in recess this week. I have commitments back in Minnesota that I had to keep and as we all know, all politics is local, so I had to be local. But I do want to say thanks, and I want to applaud CSIS for taking up this extremely important issue.

I've been pleased to work with CSIS on a number of important policy matters, the global fight against AIDS to U.S. policy towards Colombia. Today I'm pleased to work with this terrific organization on another critical national security problem facing our country, the decline in international students at American colleges and universities, and I want to stress, it's a national security issue.

We've all seen the statistics. This is the first school year since September 11th that the total number of international students in the United States will actually decrease, but international applications to U.S. graduate schools fell 28 percent from fall of 2003 to fall of 2004, and 54 percent of all English as a Second Language programs have reported declines. It isn't as though these foreign students are simply staying home. Rather, they are increasingly choosing countries like the U.K., Canada, and Australia over the United States because they have fewer hurdles for international students.

The issue of declining international students at American colleges and universities is one I have dealt with in a number of different settings.

First, my caseworkers deal with this on a regular basis, dealing with literally hundreds of student visa cases. One case in particular stands out, that of Humphrey Tezemira, a brilliant student from Uganda who was having difficulty getting his student visa for study at the University of St. Thomas in St. Paul. Fortunately after several calls to the U.S. Ambassador, Humphrey's study ultimately had a happy ending, but it shouldn't take the intervention of a United States Senator. What's more, many other students have been barred from coming to study in America and by far too many are choosing not even to apply.

From a foreign policy perspective this decline is also troubling. In a world that too often hates Americans because they don't know us, international education represents an opportunity to break down barriers. It is in our local and national interest for the best and the brightest foreign students to study in America because these are the people who will lead their nations one day. The experience they gain within our democratic system and our values gives them a better understanding of what America is and who Americans are.

I've also heard from American colleges and universities. The presence of international students give American students an irreplaceable opportunity to learn about other cultures and other points of view. International education is a

\$13 billion a year industry and foreign students who pay full tuition help keep costs down for American students. That's why my legislation has the endorsement of groups like NAFSA, the Association of American Universities, the Alliance for Education and Cultural Exchange, the American Physical Society, the American Association of University Professors, the University of Minnesota, the Minneapolis Star Tribune, and on and on.

Finally, I think this is an economic competitiveness issue for us. We have a strategic interest in continuing to trap the world's top scientific scholars. Too many of the world's best scientists are opting against studying in the United States because of the barriers we have imposed. We need the world's best and brightest to continue to do their research here and to continue to use their talents to improve American innovation, and ultimately to create American jobs.

Many of America's most innovative business leaders and top CEOs came to the U.S. as international students.

For all these reasons I recently introduced legislation that seeks to fundamentally reverse this decline. I call it the American Competitiveness Through International Openness Now, or ACTION Act. ACTION is a bipartisan bill. With the support of my friend and colleague, Senator Bingaman, the ACTION Act looks at several different aspects of the problem. First, it calls for a strategic marketing plan similar to the strategy already implemented by the U.K., Canada and Australia.

To regain our preeminent position we need to do more than just fix our visa policies. We're going to have to be proactive if we're going to reverse the perception that America is an unwelcoming place for international students.

The bill proposes common sense changes to the way the SEVI system which tracks international students and visitors is managed. Currently, prospective students are entered into this additional database at a non-refundable fee of \$100, whether or not they are issued visas, and separate from their \$100 visa interview fee. The result is a clogged database and an unfair system. Meanwhile universities are struggling with an unresponsive bureaucracy to make even small corrections in student records in this database.

Under my legislation the database would be run more effectively, students would be entered into it only if they were actually heading to the United States, and it would be easy to correct problems once they occurred.

My legislation also calls for the U.S. to revisit the reciprocal agreements that govern the length of a student visa. The length of an international student's visa depends upon the kind of visas they issue American students to study in their countries. Unfortunately, many students are only able to get one-year visas and often they only permit them to enter the U.S. one time on that visa. This creates a very tough choice for an international student in the case of a family emergency back home.

A central component of my bill sets more realistic standards for visa evaluations by updating a 50 year old criterion for visa approval. Under my legislation, counsel officers would no longer have to determine an applicant's

desire to return to their home country since this is often difficult to prove and unrealistic in this age of globalization. Instead, if a student can demonstrate intent and sufficient financial resources to complete their program of study -- in other words, they are going to be students for the time that they're here to study - and in fact they then graduate from that program or intend to graduate, they would be deemed qualified for admittance to the United States.

Now this revision changing the so-called 214(b) requirement is not without controversy, but I think we need to take a look at whether this policy is really serving its intended purpose. After all, many of the brightest international students are actually recruited to work in the United States after they finish their degrees. We're asking them to be either dishonest during their interviews, or to have a sudden change of heart when they graduate. At a minimum, our policy is incoherent if not counterproductive.

I'm happy to report that we are making some headway. Secretary Rice, as a former university provost understands the importance of international students and pledged to all of us senators on the Foreign Relations Committee that she would work with us on this issue. Already waiting times for student visas have come down and the validity of visa manta [ph] security clearances has been extended from one year to four.

I've also made some progress in getting parts of my legislation passed as amendments to other bills. I hope to have substantial parts approved as part of the Foreign Relations Authorization Bill and if that bill does not make it through the Senate I will continue to look for other vehicles.

Shortly after September 11th headlines asked, why do they hate us? Almost four years later we continue to struggle with that once inconceivable question. These are not isolated attacks on mere buildings, these attacks were aimed at the very soul of America. Our longstanding history of freedom and democracy was threatened alongside our national security. In its aftermath, tougher security measures were implemented, yet the policies implemented to keep our country safe have in one way made it even more difficult to break down the barriers that too often lead to hate.

I am concerned that tightened barriers to terrorism have begun to deprive us of one of America's best opportunities for promoting our ideals of freedom and democracy. We must get better at national security but we cannot close our doors to resources that the nation needs in the process. By spending less time holding up those students who pose no risk to our country we can devote more time and energy to those who do threaten our national security.

Thank you, and I wish you the very best at this conference

Jeff Bingaman: Hello. I'm Senator Jeff Bingaman. I'd like to thank CSIS for holding this important discussion on U.S. visa policy and its impact on international visitors.

A country's immigration system helps determine its relationship to the global marketplace. The system can either be conducive to the free flow of ideas

and international business ventures, or it can provide disincentives to the flow of international talent and collaboration.

Since 9/11 the United States has adopted a number of visa policies aimed at making the United States and the traveling public more secure. Unfortunately, those policies have also had a significant impact on scientific collaboration with other countries and have made it problematic for exchange students to come to the United States.

While the United States has an obligation to thoroughly vet visa applicants, we need to find ways to do so that keep us engaged with the rest of the world while protecting ourselves against those who want to do us harm.

Our economic competitors are taking proactive steps to encourage highly talented students and graduates to come to their countries and study in their universities. In contrast, our policies seem to suggest that we do not want highly talented foreign scientists to come to our country as we once did.

Recent studies have documented a sharp decline in the number of foreign students seeking advanced scientific and technical degrees in graduate schools across the United States. The National Science Foundation has found that the combination of an overly restrictive U.S. policy toward issuing visas, the growing perception that the United States is hostile to foreigners, and the increase in opportunities overseas have altogether significantly challenged our ability to attract the best and the brightest from around the world to come to the United States to study and engage in open scientific exchange.

The 2003-2004 academic year marked the first absolute decline in foreign student enrollments since the early 1970s. At the same time other countries have instituted aggressive strategies for attracting students and scholars and scientists and have sought to encourage access to universities and promote scientific collaboration.

Australia, for instance, has increased international student enrollment 53 percent since 2001. The European Union has also set forth a comprehensive strategy to be "the most competitive and dynamic knowledge-based economy in the world" by 2010. A key part of this strategy is aimed at making the EU the most favorable destination for students and scholars and researchers from around the world.

If this trend continues, we'll be losing out. Not simply because the world's best and brightest will study elsewhere, but our economy will be losing out on some of the \$13 billion that international students spend in our country through tuition and living expenses.

Openness to international students and scientists is an important aspect of maintaining American competitiveness in the world economy and I believe that the administration and the congress need to work together to ensure that our country remains an attractive destination for these visitors.

To this end I joined with my colleague, Senator Coleman, in introducing the ACTION Act of 2005. This bill would improve visa processing and require the President to develop a strategic plan to enhance the recruitment and access of

students, scholars and scientists coming to the United States. It's my hope that Congress will act on this important legislation as soon as possible.

I wish you well in this conference. I appreciate your efforts in addressing this very important issue

Stewart Verdery

David Heyman: I'm David Heyman. I run the Homeland Security Program here at CSIS. I'd like to thank David for his support of this conference, and also recognize the number of folks from the program who have helped put this together. Kate, who just turned on the lights; Lilian, who's actually the program coordinator, you probably all talked to, who helped put this together; Jerry and Linea who helped set this conference up. So thank you all.

Our next speaker, Stewart Verdery, comes to us from the Department of Homeland Security, just recently retired from the department, now in the private sector so we feel he can speak freely.

Judge Webster said something that caught my attention this morning. He said we really need a paradigm shift in thinking about this. And the greatest paradigm shift we've had in the last four or five years is the creation of the Department of Homeland Security. With it, we had a split in the way we do visas in this country.

We now have the State Department, which does the operations, and the Department of Homeland Security, which creates the policy. And the person who is largely responsible for that is the Assistant Secretary, which is the role that Stewart had at the Department. But beyond that, it includes things like immigration cargo security, transportation security, and a number of other things for looking at our borders and transportation. So while there's been a lot of discussion about the challenges we face, there actually have been a lot of actions taken by the Department and the State Department, as the two senators just noted, in the executive branch, some of them not well known and some of them more effective than others. To talk to us about that and talk about the new paradigm shift and the new approach, we welcome also a new affiliate with CSIS, Stewart Verdery.

Thank you, Stewart. [Applause].

Stewart Verdery: David, thanks for the introduction. It's nice to be here with many, many old friends who journeyed up to the NAC to visit us on these important issues. I appreciated that. We had some great working relationships during my time at DHS. As David mentioned, I've now wandered out of there and back to the private sector and am excited to be at a firm downtown as well as affiliating with CSIS to continue working on these types of issues.

I thought what David mentioned is very important because you've heard a lot of discussion today about the State Department. Obviously the State Department has an absolutely critical role to play in visa and travel facilitation

issues, but it is a shared responsibility and I'm not sure, even two years after the department's been created, that everyone still gets this.

If you go back and read the Homeland Security Act, and then the MOU that was implemented, that was required by the Act, between the Department of State and Department of Homeland Security, the set-up that David mentioned is accurate. The Department of Homeland Security is largely responsible for policy, and the State Department largely for operations. Now I think it's fair to say that since 2003 when the department was created, that reality has not really come into being. DHS has not fully assumed the responsibility that it could. I think this is partially because of manpower issues and partially because of the difficulty of breaking the link between operations and policy.

And so essentially the two years I was at DHS, it was really kind of a tag team effort between my office and Consular Affairs at the State Department on all the various things we're talking about. I'll talk about some of those things in a minute.

But people should know that if they want changes in visa policy, if they have concerns, and I think there are legitimate ones we've heard about today, the Department of Homeland Security is really the place you have to start, working with State, working with Department of Justice, working with the White House, and of course the Congress, but that's where responsibility ultimately lies and I encourage you, if you haven't, to go up and meet the people at DHS who are responsible for this -- my successor Elaine Dazinski, obviously the new leadership, Judge Chertoff and Michael Jackson and then the Directors of CBP and ICE and the like. You have to go talk to these people and get to know them because it is their bailiwick.

Part of the confusion, I think, is that there are, while you talk about DHS brought in 22 agencies and is now this giant department, there's still a lot of bits and pieces and parts that have roles to play in visa and travel facilitation policy. You have CIS for things that have to be credentialed; you have BTS which essentially did the policy; you have ICE that does most of the enforcement work; CBP does the border work. And you even have a thing no one's ever heard of called the Office of International Enforcement within BTS, which handles the visa waiver program. So this kind of alphabet soup I know has contributed, I think, to some of the confusion, but you've got to learn it if you care about this stuff because that's the way it works in DHS.

I think it was Director Carlucci said -- actually, I'm sorry, it was Congressman Manzullo who said he didn't understand the policy that we have, or how it got created. And I think that's because no one has really taken the time to sketch out kind of what the point here is, what the departments that are working on this, what their basic beliefs are. And while we don't have much time today to get into all this let me sketch out a couple because I think it does kind of frame the debate a little bit, and for those of you who want to influence change, you have to figure out if you're going to try to work within this system or try to change the underlying premises.

The first is biometric collection by a government agent. People talk about

the interviews, is it really worth having a one minute, two minute, five minute interview? That is not the point. The point is to have a government agent collecting fingerprints. The interview is an interesting add-on to that, but it's the collection of biometrics by a trusted person because once the biometrics are collected, that is locking in that person for all the steps we're going to follow on the rest of the way. If you don't have confidence that the fingerprints are who they say they are, then you haven't done anything. And that's the point of this, and I'd encourage people to think of it that way and not say, well what's the point of a one minute interview.

The second is, having the use of updated biometric and biographic information. It's all good and well to do a one-time check at the visa stage, but if you learn something after the fact for a visa that might be good for one year, for two years, for five years, for ten years, you have to take into account information that's come in subsequently. Terrorist information, criminal information, immigration information, and that's why you see these repetitive layers throughout the process.

The third is risk management. It's simply not the case that we treat everyone the same. There are essentially three categories of persons who want to come to the U.S. You have people from low risk countries, visa waiver program, who essentially have no visa. You have people who fall into the large basket with a regular visa process. And then you have people who get a visa but have to go through a security advisory opinion -- scientists, people from high risk countries, and a few other categories, some of which are clearly outdated. But there is a risk management system in place and we should debate whether or not it's slotted the way it should match. I think there's room for adjustment of that but it is already set in stone that you have this risk management process.

The other thing, obviously, that needs to be on the table, and Senator Coleman and Senator Bingaman talked about it a little bit, is the intending immigrant standard. Ninety-eight percent of whatever problems are out there, and there are problems, are based not because of terrorism, it has nothing to do with 9/11, it has nothing to do with Jihadists. It has to do with the fact that people are worried that people are going to come here for whatever reason and not leave. That's the underlying premise that is creating the issues for all your companies. For BAE, for Boeing, for manufacturing plants in Congressman Manzullo's district. The 214(b) issue is the giant elephant in the room and people should not confuse that with the anti-terrorism message which is also important.

A couple of major points and then I want to talk about some of the improvements that we've made and then some of the next steps I see.

I strongly believe the American people will not put up with a system that does not connect the dots. You saw this on 9/11 where there was information on a couple of the terrorists that did not make it to front line inspectors that might have been able to do something about it. If it's found out after the fact that somewhere in our intelligence or law enforcement apparatus, we had information about a terrorist and it didn't get connected between our various databases -- whether it's the bio-visa database that State runs, the ident database that DHS

runs, the NCIC program the FBI runs, people are not going to be happy if we fail to connect the dots. That's why you see all these elaborate mechanisms for information-sharing that have been put in place. And all of these, I can tell you, have intense interagency discussion. Everything of importance that's talked about today or might be on the table goes up to the White House for review. I feel like I spent half my life down there practically. And the law enforcement and intelligence groups in the government have a huge role to play. The FBI, the CIA, DoD, they are often the action officers that have to do something with information about a would-be bad guy and they're key players in this.

The second is that for many many years we essentially have operated in an information vacuum. Once somebody walked through JFK, Dulles, we essentially had no idea where they were, where they were going, when they were leaving, did they leave, what did they do while they were here.

Part of that is being changed through the U.S. Visit Program. We're giving Excenture a lot of money to figure out ways to synthesize databases, to come up with mechanisms to track individuals, and to have better flow of information. But that will give the department the information we didn't have. Kind of what countries people are overstaying, have people left, all the kind of basic information you'd want to know if you were a business and doing this that the government has not had. That will be coming on-line over the coming months and years and I think will really provide some information where different types of policy judgments can be made.

In the short time here I'm not going to try to defend what the departments and the government have done the last couple of years, although I think there have been a lot of improvements, and I'll just tick them off.

State Department operations, waits are down, transparency's up. Better interaction with the business community, student processes have improved, the Mantis improvement that was mentioned on moving to four years I think is a great improvement. We've got a good PNR and ABIS-based system for airline vetting underway. U.S. visits operating pretty seamlessly. The SEVI system, while not perfect, operating in a much better way, and we've got exit pilots deployed for the outgoing side.

All this is working pretty well under the basic paradigm I talked about, but what is going to make the system change from your point of view? Where are the things that could really flip things on their head? And I'll just mention a couple.

The first is the visa waiver program. We know what's going on with the biometric deadline. If this doesn't get extended or amended in some way, all the problems we're talking about today will be dwarfed by that problem, so I think people are working on that pretty aggressively.

On security advisory opinions, there is a new process underway to actually bring some rigor to why and who goes through SAO, to bring a governance board to bear so that we actually have some rationality and we're not checking people under the SAO process because of 1970s Cold War policies. So that will be coming on-line, will bring some transparency into that.

The two big things, the intending immigrant standard that the senators mentioned, I think once U.S. Visit Exit is up and running and we have an idea that Mr. Jones or Mrs. Jones has come and left, and that people from Country X or Country Y are leaving on time, that will provide the ammunition to go to the Hill and try to take a whack at 214(b). That is the big kahuna, so to speak, that would change the paradigm quite a bit. It would not require people to prove that they're not going to be an over-stayer. But until you have the hard data to do that, I think it's going to be tough to do, but that's the system that has to come on-line and work well, to bring that information to bear.

The other is the registered traveler program that was mentioned. There is a lot of work underway to try to bring an international registered traveler program to market, so to speak, and I think over the next couple of years, with the cooperation of air carriers and airports and foreign governments, you will see registered traveler programs for kind of the international road warrior types, which I know many of your companies have. People who are willing to be vetted in a special way and pay an additional fee will get expedited procedures on visas and on their air travel. I think that's something that people can look forward to. It will require a lot of cooperation at various sectors in the economy, but it's something that is worth doing.

The last thing I'd mention is if the President's temporary worker program, which is largely aimed at the southern border, becomes a legitimate legislative vehicle on the Hill, and I hope that it does, that will open the door to the immigration code, and I think there will be opportunities to work on some of these things that really affect more international travel that we're talking about today. But that would be the legislative hook into this that I think all of you might be looking for.

Hopefully this has been an interesting thing. I know we're moving on to our next panel. I'd be happy to take any questions if we have time, or we can move on, David, to the next panel.

[Applause].

Role of International Exchanges in Advancing U.S. Security, Economy, Diplomacy

John Hamre: Could I ask our panelists to please come up to the table. I'm going to say a few words of introduction while they get situated and get miked and the whole business.

Again, Stewart, thank you very much. It was very helpful to have this discussion.

Again, these are, we want to look at more of the cross-cutting issues associated with this and we've selected individuals who are representative of broad sectors of American society. I'm going to be very brief.

Bill Reinsch who is seated right to the right of Frank Sesno, Bill and I, we first worked together when he was the Undersecretary at Commerce in charge of trade exports or export controls. He had the unenviable task of trying not to break ranks with me when I was disagreeing with him and we testified together. I will always be grateful. Bill is the President at National Foreign Trade Council which is the oldest business association that focuses on trade issues in the United States. Tremendous, one of the great intellects on trade and economic security issues.

Chuck Vest is right here. Chuck is the, I think 16 years wasn't it that you --

Charles Vest: Fourteen. It just seemed like 16.

John Hamre: Seemed like 16. Fourteen years was the President at MIT. And if anybody knows what it's like to be a university President, you log about ten to one on body time, so he's a 140 year old guy who survived, and as he says, out to pasture, or as I said he's just now joined the stud farm. He's become very prosperous in the process and I'm delighted that he could give us his time here today. Chuck was one of the key members on the WMD Commission that just reported out to the President, has been deeply, deeply committed to national security while he is an active leader in the intellectual community and the academic community of the United States. Thank you, Chuck.

Rick Kirkland, my friend Rick Kirkland, was Vice President for International Business Development and Affairs for Lockheed Martin, but we go back a long way. I remember when he was a P-3 pilot for the Navy and rose up through the ranks, became promoted to admiral and we worked side by side through the Defense Department. We wanted Rick to come here really as a representative on behalf of the national security community that has the very difficult task of having to sell and interact with foreigners, but also the security requirements that come with that, so it's a very interesting perspective he'll bring.

Finally, His Excellency Karim Kavar, a very very dear friend. A dear friend of America I should point out. Took his bachelor's degree here in the United States, master's I think too. Karim, in between these various episodes went off and became a very very successful entrepreneur and businessman, multiple times. I think he owns over ten companies in Jordan. Is here now as the Ambassador and is doing a stupendous job. He feels every day the challenges of a man who came to this country, loves this country, and now suffers from a lot of the problems of having to still be its representative here.

So we're delighted they're here. Frank, let me turn to you to get us started, and I apologize again, we'll wrestle with our microphones, but I hope you can make everything work.

Frank Sesno: So do I. Is this working? Oh good. Well, I am now truly intimidated. I'm up here with a former college president, an ambassador, an admiral, and another president. The deck is stacked.

Stewart, I thought your comments were very very interesting and I'd like to pick up on one thing that you said and one thing that Congressman Manzullo said earlier and ask each of our panelists if they would address this from their

own perspective, as an educator or an ambassador, or from the private sector, both from sort of an overview perspective and from a particular perspective of Lockheed Martin.

So you said, Stewart, "all this is working pretty well." And Congressman Manzullo said, "It's scary out there." So I can't do Crossfire, so the best thing I can do is bring in a little piece of it and try to create some debate and seek some perspective. So Mr. President, scary or working pretty well? And from your perspective there as an educator?

Charles Vest: I think, Frank, it's a little bit like tactics and strategy. Given the system that has been developed and in large part imposed by the Congress, I might point out, I think that there are great pockets in DHS, in the Department of State, in the White House, that are aware of the depth of this issue, particularly on visas. It is getting better, but we are not out of the woods yet and I think we make a huge mistake if we get trapped into these immediate minutiae of what admittedly is a very tough problem and miss the big picture of how we're being viewed around the world.

Frank Sesno: Right. So from an educational point of view, higher education, a place like MIT where you have a lot of experience in the sciences and mathematics and advanced study, what is the big picture right now?

Charles Vest: Well the big picture in my view is that in the 21st Century this country can have a vibrant economy, a good quality of life, true national security and health, only through technology-driven innovation. We have to remain the best in the world. We have to remain the magnet for the best and brightest around the world.

Just to give a little indicator that always is very meaningful to me. We're very proud at MIT of the Nobel Laureates on our faculty. Where are the recent laureates born? The United States, to be sure. But also India, Italy, Mexico, Germany, Japan. I was at the University of California last week. I looked up on their web site, their nobel laureates who are currently active were born, again in the U.S., certainly, but also Taiwan, Poland, France, Hungary, Germany, Austria and Norway. We've got to keep these great people coming and being part of American academia.

And the second point I would make in the big picture, and I hope I'm not diverting this too much: In parallel with the issues about border security, and who does and doesn't gain entrance visa to come here and study and work and attend scientific conferences, we also have a lot of walls being raised through the nature of research contracts and so forth that are starting to try to limit access to research topics, to particular pieces of equipment; limit access of international students to these things; ask that if we accept a contract from the Department of Defense to do A, B, C, that we do an additional security screening of people who have already been approved to come to this country to study and work in these areas. These things add up, Frank.

And finally, I'd like to just make the other point that I thought particularly our two senators made very eloquently. The rest of the world is not just sitting

around watching this happen. They are proactively trying to increase their competitiveness against us. And let me just give you an example.

I spent three or four days working with one of the leading science and technology based universities in Europe, two months ago. If somebody said to me once, ten people said to me, you know by the way, your government and its policies today are our best recruiters for both faculty and students.

Frank Sesno: They said that to you just direct, just like that.

Charles Vest: They said that to me directly. And furthermore, to put some flesh on those bones, this particular university, and it certainly is not alone, is moving very rapidly to begin making English its language of instruction. I said, why are you doing this? And they said, because we intend to recruit the students from around the world who used to feel comfortable going to the U.S. and now don't, and when we go to China or India or Africa or wherever it is, they say we'd love to come but we don't want to learn your language. If you teach in English, we will. So these are big sea changes.

Frank Sesno: Couple quick things before I bounce around. Are you seeing, you say things have gotten somewhat better. Better enough to continue to attract the next generation of Nobel Laureate? Better enough to get the great mathematicians and scientists on your campus?

Charles Vest: Not at all clear. What is getting better -- and Stewart has been among those who worked very hard to make it happen, and somebody mentioned Laura Hardy a bit ago -- the processing time is coming down. We're getting more people in, we're getting a little less hassle, but this mostly has to do with students who are committing to come here for three years, four years, to get a degree. We still have lots of problems with people coming in and out for scientific meetings and conferences, and you heard the off-shoring of that. It's this attitudinal change that we heard from Sir Alistair Horn, for example, in some ways is even deeper than the process issues.

Frank Sesno: And you're still having the situation where one of your great students -- a grandmother dies, wants to go back home, reentry is still a problem?

Charles Vest: Reentry is still a problem, as I believe Stewart mentioned. That time has been, I'm going to say in theory increased because it's not guaranteed, but from certain countries you now can get three or four years, which is one of the primary things we would have been asking for a year ago. But there's still some judgment involved, it still does depend in circumstances. Still getting some horror stories.

Frank Sesno: Let's go over to Lockheed Martin and a particular perspective within the private sector.

Rick Kirkland: I'll share the microphone and so my colleague, I wish that we had gotten together because you could have written my points and I could have given you yours.

One of the great strengths of this country is that we can take a sentence or

two of legislative language, create a rubric of instructions by government agencies which resembles something like a Rube Goldberg flow of things that will occur in a number of steps, and then go down and say we've improved the process of this particular step, without stepping back and saying what are we trying to accomplish and how are we able to do it? I think that's where we are here.

We have seen improvements in abilities to move people, but we are still lacking in understanding what it is doing. In particular, we have lost opportunities to conduct tests that we are trying to do here because we couldn't get people in time through a visa program.

Frank Sesno: What kind of people, if I may?

Rick Kirkland: Russians. We have a joint venture with the Russians to do space launches. An inability to bring the technicians over here to supervise the test.

Frank Sesno: You couldn't get them in.

Rick Kirkland: Could not get them in.

Voice: -- the U.S. government encouraged you to enter into, as I recall.

Rick Kirkland: Joint venture, 1992, the U.S. government says let's employ Russian scientists in civil space rather than in national security issues, and we are continuing to work through that. Each one of these people is identified by name in the program, clearly understood, but again has to go through the process each time to get a visa to come over to do a test.

Frank Sesno: How long is that process -- Just give us a little bit of a sense of this.

Rick Kirkland: On the order of weeks or months. We recently moved a board meeting, we talked about off-shoring, because it was easier to meet in Paris than it was to meet here in Washington, D.C. because we could get all parties there quickly and rapidly to go do it.

Frank Sesno: It wasn't because of the freedom fries or anything like that. [Laughter].

Rick Kirkland: No. It wasn't because it was springtime in Paris. So I think we can continue to tweak issues. I also think that the pending storm is the one that was addressed just before I got up here, which is if we're not able to extend the time deadlines on the biometrics for the visa waiver program we have a huge problem which we could get into in the future.

Frank Sesno: (microphone instructions)

Rick Kirkland: I'll start with a baseline that says of the major aerospace and defense companies in the United States, 20 percent of the revenues are derived from exports year in and year out. I would say virtually 100 percent of the program of any one of the major companies has international involvement. We do not have a capacity in any program to say that this is done strictly within the United States.

Now the majority of the partners in here are the industrial partners of our European NATO allies that are covered under a visa waiver now. If the biometric program requirements are enforced, and we're not able then to bring people in on a waiver basis, and we then begin to say in order to do a meeting with our partners from Norway, Netherlands, U.K., without having a visa which goes through this process, it will have a dramatic impact on current programs as well as lead us to where I think are some dangerous situations in trying to develop partners for the next generation activities.

Frank Sesno: So your colleague from Norway will have visited in January for a meeting, he will have a biometric passport or biometric information, right? And will go back home to work, and you will want him to come back in June or the following January or what have you, and what would happen?

Rick Kirkland: As I understand it, I'll look for some clarification here. Under the outlines right now, our countries that are currently waived from having a visa have to have established biometric data in a passport. Correct? And the deadline for this is coming up in October, correct?

Voice: Yes.

Rick Kirkland: The preparation and production, the ability to produce those by any one of our allied countries, and I'm more familiar with the U.K. because we've dealt with the U.K. on this extensively, they are going to make it in maybe the January to first quarter next year, but they aren't going to make it in October.

Frank Sesno: So in the mean time?

Rick Kirkland: The law says that then on the first of November, if we need to have a meeting of the Joint Strike Fighter partners, each one of those participants who have been here on a regular basis would now need a visa to come into the country. Am I correct in making that statement?

Voice: Close.

Rick Kirkland: The other thing that is of troublesome concern is that I don't know that we have a reader system in place yet that could read a U.K. passport if it were produced. And we don't know if that reader system is the same to be used in Miami or San Francisco or Washington. So do we have a standard by which people are going to be able to, one, produce biometric passports, and two, we're going to be able to use them before we have this deadline that says now what we're going to do is we're going to now require visas for another 20 countries and those are the countries of which we're doing predominantly work today. So that's where I see this.

Frank Sesno: You've got a huge problem, because you've got business you need to conduct, meetings you want to have happen, and trained, skilled people who need to be in a certain place at a certain time, who may end up having treatment not unlike what Sir Alistair encountered. That makes business very difficult.

Rick Kirkland: It is certainly raising the level of frustration.

Frank Sesno: That's very well put. [Laughter].

Rick Kirkland: It is having episodic problems, is not being able to do a test. But I think my major concern is addressed here, is what are we going to do about the next generation workforce? We do not have enough people in this country to meet the needs of the national security workforce into the future.

Frank Sesno: Okay. We'll come back.

Mr. Ambassador, welcome. Thank you very much for joining us.

Of course your perspective is very different and very particular, so I'll frame the question, is it scary out there as the congressman mentioned earlier? What are you finding?

Karim Tawfiq Kavar: We look at the big picture again and we see that in the short term this problem might be overcome, but in the long term there is a bigger problem that we need to deal with, and that's probably the scary part for us.

When you take Jordan, Jordan is a small country with a population of just over five million. We've had over 25,000 students that have attended universities here in the United States and they've gone back, and as such they have been American ambassadors in Jordan. They were the ones that experienced the American way of life, they're the ones who understand American principles and have experienced American values, and they're the ones who can speak best about that American experience. And I think that's what we are losing since now more and more students tend to seek their education maybe in Europe or in Canada or in Australia in the English-speaking countries.

If you take our Cabinet of Ministers, three-quarters have been educated in the United States. So if the U.S. wants to influence countries around the world, then what is a better means or better way than reaching that circle of influence and affecting a larger society.

His Majesty, King Abdullah, received part of his education here in the United States and he has made it a point when he travels and visits the United States that he also brings on students with him. Usually a group of four -- two males, two females -- just to also experience that.

And I have received many groups, whether they are school administrators or teachers or students that have come here on exchange programs. I usually meet with them before they start their visit and after they finish, and what a transformation it is for them to have that experience. If you want to shatter stereotypes, they come with a certain perception of the United States and after spending a short period, usually a week or two, they return transformed. And I think that's what we stand to lose in the long run.

The numbers, there has been a drop of over 30 percent in students coming from the Arab world, and actually there is a 50 percent drop in applicants for the GRE exams overall which means less people, not just from the Middle East but from all over the world, coming to the United States to seek their higher education. So again, those brightest minds that the President referred to are also

shying away from coming to the U.S.

Part of it is the visa experience. Nevertheless, there was a survey conducted by Zogby recently that said over 65 percent of Arabs from six countries still want to come to the United States despite all the stories that they hear. Of those who do come to the United States, only one-fourth have a positive experience, and three-quarters have a negative experience. That's from the minute they are received at the airport by the immigration officers, the way they are looked at, but even in society. In the various cities they are getting a negative experience and they are going back and I'm sure sharing some horrific stories about mistreatment.

Nevertheless, there are still over 70 percent of Arabs that want to seek their higher education in the United States despite all of those stories, so they still want to come here and they look up to U.S. education and they see the value in that.

Overall, I think the scary part is that those bridges that would be built, there would be less of those bridges and therefore less understanding between cultures, and I think it's in the U.S. national interest to have more people come to the U.S. to get their education and go back and affect those societies.

Frank Sesno: I think all in the room would be in agreement with that. I think the question is, you said more Jordanian students are seeking their educations elsewhere.

Karim Tawfiq Kawar: Yes.

Frank Sesno: The question I have is why. Is it because of this perceived, I mean you say they still want to come here but they may perceive a hostile climate. Is it really because of visa policy and what's happening when they go to an embassy or a consulate?

Karim Tawfiq Kawar: I think it's a combination. Certainly it's much more difficult to get visas nowadays than before, although the number I heard from General Powell the other day that it's down to 11 days, I hope that is the case. But still, the issue of interviews, I think many of the students that are studying here that are afraid to go back home and not be able to return, and there are many stories there too, but also it's parents who are afraid to have their children come to the U.S. just because of those stories as well.

Frank Sesno: How does the issue of obtaining a visa and treatment going to or from the United States, how is that played in the Jordanian press? What is the information exposure that the population is receiving?

Karim Tawfiq Kawar: I don't think it's the press as much as word of mouth. You hear it from friends. As stories get passed from one person to another, I'm sure they get exaggerated as well. But it's not the press as such. The U.S. has received good press coverage, especially when you see the positive side of U.S. foreign policy and all the assistance that has been granted to Jordan and other countries.

Frank Sesno: So the word on the street is that the visa process is a

hostile process?

Karim Tawfiq Kavar: It is.

Frank Sesno: I don't mean to interrupt, but you just said that Colin Powell said the wait time is 11 days. The question is, how much of this is real and how much of this is imagined? We're trying to identify a problem here, we have to determine whether the problem is genuine.

Karim Tawfiq Kavar: I don't know what the situation is like today, but if you were to drive by the U.S. embassy in Amman sometimes you would see the queue of people waiting to get to their interviews. Whether those people have gone through the right process of calling up and taking an appointment or just showing up and lining up there, that I do not know. But I think that image has been addressed by the State Department to make sure that such lines are not formed unnecessarily, only those that have interviews scheduled. I believe that that process has improved, but still people's perceptions have not.

Frank Sesno: And still the numbers are down.

Karim Tawfiq Kavar: Yes.

Frank Sesno: Bill? Scary?

William Reinsch: What?

Frank Sesno: What, okay, I know where you're coming from.

William Reinsch: For us, in the short term it's been like that game at the beach, Whack-a-Mole. The minute you bludgeon one problem into submission, there's another one that pops up somewhere else. Some weeks it's two steps forward, one step backward; some weeks it's the other way around.

Last fall we made a lot of progress on SAO review time, thanks in large part to Stewart and his work, although incidentally I heard last week that that's getting worse again for reasons that I can't explain.

Stewart Verdery: After I left.

William Reinsch: Yeah, after you left it began to fall apart. [Laughter].

Frank Sesno: It's nice to be needed, Stewart.

William Reinsch: But the same month that we were making progress on that was when they instituted the interview requirement, so we can't ever quite seem to get a clear path back to a situation where everything is moving smoothly and simply without the kind of humiliations that we heard about earlier.

For the long term I think we share a lot of the concerns that have already been articulated, but from the standpoint of big companies which really is what the National Foreign Trade Council represents, big companies have choices and they have a lot more choices than some of Don Manzullo's constituents who have one plant in Rockford and they're sort of stuck with the situation. If you're a big company you can have your board meeting in Paris. If you have a problem with your pilots coming in, you can set up your training program in Singapore.

One of our members, who I think wants to remain nameless, won a major

project from the Chinese, and by the way, the Chinese are really the other elephant in the room on this. A lot of this is about China. It's not really about a lot of other things. And it's about spies, and not about terrorists.

One of our companies won a major project from China. The Chinese wanted to do something, something that we do all the time, which is send one of their people over here to check out the plant and see if whatever this thing was was going to be built to specifications. That individual couldn't get a visa. So the company's response was very simple. It sourced the whole project through one of its overseas branches. So the company made the money, the jobs went somewhere else, and in fact the technology was developed somewhere else.

What happens in the long term if you're a large company is, if you have concerns about getting your Russian engineers here or your Chinese engineers here for six months or for a short term project, you build your research center in Tianjin or you build it in Shanghai. There are now, depending on which statistic you believe, either 200, 400 or 725 independent foreign-owned research centers in China right now. They're not there for this reason entirely, but if this policy persists that's what big companies will do.

The irony of that, of course, is if you think about security with a small s, to use John Hamre's term, I can guarantee you there's going to be more technology transferred through research labs being built over there than are going to be transferred through the three or four engineers that get visas and then take something back that they shouldn't be taking back.

Frank Sesno: Perhaps each of you could address a very interesting issue that's been sort of a subtext to your comments thus far and that is the peculiar concerns and experiences with respect to science and engineering, and the sort of technical capabilities that you talk about at MIT that's going to give Lockheed Martin the edge. Can we isolate or identify particular issues in that category?

Charles Vest: Let me take a first stab at that. I think there are several reasons that we hone in quickly on science and technology. One, as I said is, this is our future. This is the only future we have. We can't compete on low wages, we can't depend on military might or natural resources, we've got to work on brain power.

Secondly, science and its conduct has always been highly international in its nature. The only way science progresses is by sharing information openly, having people repeat experiments and so forth, and we've seen over time the center of mass of the world of science shift from Western Europe to the United States and with that have come a lot of people. Scientists are going to go where the best colleagues are, where the best teachers are, where the best infrastructure is. Pure and simple.

So there are several reasons that we hone in particularly on science. The new sort of elephant in the room, I suppose, and my colleagues over here can probably speak more knowledgeably than I, is that technology and engineering, as well as basic science, is now becoming enormously international. And for example, if you take a look at Tom Friedman's new book on *The World Is Flat*, it

doesn't matter whether you're in Jordan or you're in China or you're in India or you're in Illinois, you can compete in this new world using information technology. So we just have to realize that. But at the end of the day people are going to try to work with the best, the brightest, the best infrastructure, however they can get to that.

Rick Kirkland: In our business, we are the most highly regulated, controlled, authorized business that exists. In every other federally regulated organization, you regulate the process. If the airlines are going to launch out of National, the FAA says I want to know that you have a training process, that the mechanic has done his job right to release the airplane and then you look at the process.

In our case, every bit of information, every interaction, every visit is looked at and approved as a particular entity that we're doing. So the visa issue, from the control of technology or who is going to have access to technology, how it's done, is a minor actor in that particular play. We have enormous scrutiny. If we're going to have a visit through a plant we are going to have to list who is going to be there, what levels of technology. That's going to be approved before it can be done. So from a security perspective of being able to control key technologies, that's already in place.

It is in constant friction with the speed that Thomas Friedman talks about of a global exchange of information and flow where we are having to constantly make sure that the approval is in place as the machine is bringing things along to go do this. We've had similar discussions in this forum and others about that process, the export control process which is being done, and I want to use the same sort of thought process to the visa issue that I do there, and I worry when people say the average time is now 11 days. That's great. That means that Richard Danzig got his visa in one day, and I have to wait 30 days and the average is going to be 15 days. It's not going to help me meet my meeting.

What I'm more concerned about in all of these processes is, what is the mean time to deliver and what is the standard deviation of that delivery? If you tell me that the mean is 11 days and the standard deviation is one day, then we have a really good process. That says that I can go in there and I can go to people and say, you ought to plan to do this 12 days before your trip with an assurity at one standard deviation of 67 percent, sorry to be a scientist up here, but -- [Laughter]. Let's get real about what we're talking about here.

What we're talking about here is predictability. What is the predictability in the process to do anything. The predictability in any of our regulatory processes. And until we understand what we're all talking about, we are never going to get to the problem whether this is a frustration or we've made great progress. So let's look at what is the predictability in the process of getting the license to exchange technology, or the predictability in a process to have a meeting and bring somebody here.

Frank Sesno: Bill, yesterday when you and I spoke you spoke specifically about your concern surrounding the technology alert list and how that impacts on a lot of this.

William Reinsch: Well, and that's a good example of the larger point. We've been talking about paradigm shifts in part. There's one paradigm that hasn't shifted and should have, and that's the way that government looks at technology. We still have this view that it's this box, and if you just build a big wall around it we'll all be safe.

And I think the best example is what Rick was just talking about. It's not a box any more. You export by e-mail, you export over the phone. The real technology is know-how, which involves people. That's what this conference that John talked about on Friday is about, deemed exports. What the government hasn't really grasped, unfortunately, is the universality of science and research and that brings with it the universality of technology. And we still try to deal with these things by boxes and by items.

The State Department uses a Technology Alert List, which is a list of technologies that might have military implication, and people coming here are reviewed from a Mantis perspective, from two perspectives. One, is the individual likely to be a spy? And that is sort of an intel, enforcement-based thing. And second, what is the individual going to do when he or she gets here? Are they going to work, say... you know, they're going to spend three months at Sun Microsystems, well, what technology are they going to access? What are they going to be able to do while they're there? And the person out in the field looks at the TAL, the Technology Alert List, and sees what's on that list and if there's a hit, the applicant has said, well I'm going to work on this and this and this and it's on the list, then there's a problem, it comes back here for a security advisory opinion. That's not the only reason it would come back, but that would be one reason.

Frank Sesno: Comes back?

William Reinsch: To Washington and gets circulated to a bunch of agencies, which multiplies your time to the pi end of what Rick was just talking about.

One of our concerns about the TAL is that it contains a lot of things that we don't think are militarily critical. The classic example is it contains a section called automation equipment. At least it used to. Every time we have this discussion with the State Department they say well, you know, it's classified. And we say well, but it was made public. And they say, well that was a mistake. [Laughter]. And we say well, there it is. And they say well, we've changed it. And we say, well did you fix the automation equipment problem? Because automation equipment is everything from motorcycle engines to aircraft engines. And they say, well we can't tell you, it's classified. [Laughter].

So I don't know if this problem is solved, but judging from the companies that have the problem of getting the applications, it has not been solved, and frankly, the State Department is not the organization to solve it. Technology judgments I think, particularly about military criticality are probably best made somewhere else.

Frank Sesno: Where?

William Reinsch: Well, I think historically --

Frank Sesno: [Inaudible]?

William Reinsch: No, that would be the worst place to make them. I think historically they are made on an interagency basis, in the National Security Council, with participation from the Defense Department, the State Department, and the Commerce Department, because after all we're dealing with civilian companies for the most part. I mean, keep in mind, at the same time all these changes are going on, there's a huge revolution that John Hamre was in part responsible for, away from military specifications and toward commercial off-the-shelf technology.

I once had a Pentagon official tell me, not joking, that the Pentagon's procurement process is longer than the life cycle of the stuff they were buying. That's migrated them to commercial off-the-shelf. That means they work every day with Sun, with IBM, with HP, companies like that, who by the way depend for their profitability on exports.

Frank Sesno: Is... Mr.(?), I'll come to you in just a minute, but I think you've raised a specific... Is Woody Staeben here? Woody? Woody represents the State Department Office of Consular Affairs, and I think your department and agency may have been invoked here. Perhaps you could --

Woody Staeben: [Inaudible].

Frank Sesno: Perhaps you could shed a little light on some of the particulars here and whether these problems have, one, been recognized; two, are being addressed; and three, why isn't more transparency brought to this process so that organizations and companies and universities can understand the process better and can navigate it quicker?

Woody Staeben: Well to address all of the questions or issues that were raised about Consular Affairs would probably take more than an hour.

Frank Sesno: In true TV form, you have ten seconds. No -- [Laughter].

Woody Staeben: One thing I'd like to do, though, before I respond to that, is to address a question or an issue that was raised by the gentleman from Lockheed Martin, and that concerns the VWP. You gave a scenario in which people were traveling between Europe and the United States before October 26th of this year freely, and then after October 26th that's going to come to a halt. That is not technically correct, because any passport issued before that date will still be valid for VWP travel after that date. The VWP requirement applies only to passports issued on or after that date. This is a confusion that keeps replicating through the media which I just wanted to make clear that it applies only to passports issued on or after that date.

Now, to go to specific questions about are we aware, are we addressing them? Yes. We believe that -- I mean it's been said before that secure borders and open doors are mutually reinforcing, not mutually exclusive. We have tried the last couple of years to improve the system so that we have transparency and predictability in it. For instance, the question is if you're applying in Beijing today,

or you know that you're going to be applying in Beijing say a month from now, how long will it take to get?

Probably about six months ago we put the waiting times of all of our 211 visa-adjudicating posts on our internet on Travel.State.Gov. I went to it this morning in anticipation of this question. If you go to Beijing, it's 31 days.

Frank Sesno: What's 31 days? The mean, the average, the -

Woody Staeben: Average. It's an average of, average time between when you place the request for an appointment and you get the appointment.

Frank Sesno: But that's till the appointment.

Woody Staeben: That's to the appointment.

Frank Sesno: So what's the time from the time you apply or you start until you actually gain entry into the United States of America?

Woody Staeben: Usually the visa is issued within one day if --

Frank Sesno: Of the interview?

Woody Staeben: Yes, within 24 hours of the actual interview, provided you are not subject to a security advisory clearance.

Now, that applies to only roughly 2.2 to 2.5 percent of all of the applicants that come in for visas, okay? So it's a very small percentage. We have worked to get that clearance time from 75, an average of 75 calendar days, down to 14 calendar days, and that's where it remains now. So it takes approximately 14 calendar days to go through that process, which in fact is better than the pre-9/11 screening times which was around 30 days.

Frank Sesno: Okay. If I may, does this coincide with your experience? Because it certainly sounds encouraging.

William Reinsch: Well averages are wonderful. What we've asked, and Woody and I, I think we've had this dialogue. What we've asked for is some disaggregated data. Let's have the numbers for China. Let's have the numbers for India. You provided global numbers. Tell me about China. Is it 14 days in China?

Woody Staeben: It should be 14 days for, if you're talking about Mantis, it doesn't matter whether they're from China, India or Russia, the three key Mantis countries, it should be an average of 14 days. But I'm sorry, I do not have those figures, disaggregate figure for the country. But I'm not aware that that is an issue in China.

We've also made progress in the extension of validity. On February 11th of this year we announced, along with DHS, that the validity period for Mantis clearances were going to be extended for the four year program of study for students, one year for business, and two years for temporary workers in the United States. So we consider that to be one of the more critical advancements or improvements that we made to the system.

William Reinsch: That's a good thing, and I'm glad you clarified that because the four years isn't for everybody. The four years is for students.

Woody: It's for students, and one year for business people.

Frank Sesno: All right, let me turn to the Ambassador in just a moment, but Mr. President, I believe you had something to --

Charles Vest: Just to quickly punctuate two of the points that Bill Reinsch made. One is, at least as recently as a year and a half ago, I don't know about today, at least as recently as a year and a half ago the technology alert list included such horrifically scary fields as landscape architecture and urban planning, the entire field of civil engineering -- it was utter nonsense.

Frank Sesno: Landscape...

Charles Vest: Architecture.

Frank Sesno: I don't understand that.

Charles Vest: I don't either. Secondly, the point you made about thinking of technology put aside in boxes, having to do with national security. There's a great metaphor that they used to use in DoD, that I wish we would all resurface again, which was called the leaky bucket theory. You can either spend your time, when it comes to scientific and technological information and activity that you think has relevance to national security, you can either spend your time filling that bucket up, or trying to plug the little leaks in it. And I think what all this discussion about is we're trying to stick our finger in all the little leaks instead of concentrating on keeping our national bucket full.

Frank Sesno: Mr. Ambassador, let me ask you to weigh in here on this issue of technology and science. I've heard King Abdullah talk about his ambitions for Jordan, in terms of the role that it could play in the region and the role that technology could play. That makes connections to institutions like MIT pretty important.

Karim Tawfiq Kavar: Of course.

Frank Sesno: What is happening specifically in the area of technology and science? Are those students still saying MIT's the place to go and determined to get there? Or are those students specifically peeling off and going elsewhere?

Karim Tawfiq Kavar: They are still interested in the U.S., and actually MIT through its entrepreneurship center has established a similar one in Jordan so we continue to work and to defy the challenges that face this transfer, or the movement of people. We are still working.

But I want to touch on the issue of trade. Jordan's largest trading partner is the United States, and that's thanks to the many agreements, including the FTA. Now Article 8 of the FTA stipulates that there is an E1, E2 visa that should be granted which is a five year visa for business people that want to travel, and we are yet now, after three years of having this agreement go into effect, we're still waiting to resolve this issue. So we have business people that cannot come here.

And when you look at overall, I mean those who come to the United States and experience U.S. technology -- so for example, students who want to study medicine and get to use GE equipment, when they go back home they

want to order the same equipment they were trained on. So I think blending all of these issues, business, trade as well as technology, I think at the end of the day it does affect U.S. exports when less people come and train on those equipment that they later use in their applications.

Frank Sesno: What needs to happen?

William Reinsch: Well, that's a complicated question that we argue about all the time. I think there is something to be said for continuing to tweak making -- We can make further marginal progress. I think the progress that Woody and Stewart both talked about has been true and legitimate. There is progress. We don't always see it and I think it has tended to be skewed towards Europe and other parts of the world where in fact from a business perspective the big issues are China, India, Russia, and a number of other smaller countries.

There is tweaking to be done. It is partly a resource issue, but I think where a lot of us come back to is, there is the larger mindset that needs to be revised, and it really is the leaky bucket approach. My metaphor was different. If you're concerned about an adversary gaining on you, as I said, a lot of this is about China, there are only two choices you have. You run faster or you hold them back. We're spending an awful lot of time and money trying to hold them back unsuccessfully when what we should be doing is putting our time and resources in running faster.

The other problem, not unrelated to that, and I say this because when I was in the government I had kind of a group with two hats. I had a bunch of enforcement people, and these were people with guns and badges and had arrest authority, who would go out and arrest people who were exporting things illegally. They'd all been trained with the FBI down in Georgia. I had another group who were policy people, who approved the licenses and tried to figure out what we cared about, what we didn't care about. All I can tell you is, their brains are wired differently. [Laughter]. They really are. And that's probably a good thing. It makes good law enforcement officers, and I had good policy people.

This whole issue has been put in the hands of the law enforcement community, and not really in the hands of the policy community. You can call it the policy community, but the shots are being called by law enforcement people. Their calculation is not a cost/benefit calculation. It's not a calculation where the long-term concerns enter into it. It's a risk aversion calculation. How do we make sure that nobody blows anything up tomorrow, and how do we make sure that we don't have any spies here? And the answer to that from a law enforcement perspective is very simple. The fewer people you let in, the less risk there is. And that is the kind of calculation that were being made.

My kind of gloomy projection is, until we rethink the whole problem and put this in the hands of policy people rather than law enforcement people, we're not going to be able to do anything except make marginal improvement, and we're never going to be able to repair the damage that's already been done.

Rick Kirkland: I would say that what I would like to see as a solution is one, let's recognize the world we live in. It's real different than the world we have

been living in. Thomas Friedman's book again, really sketches out a picture. And then let's lead that. I'm very happy that a passport issued after the 26th of October, if it's not biometric, means that somebody has to get a visa. That means that my chief engineer from British Aerospace in Fort Worth whose passport expires on the 27th of October, if they're not able to produce a biometric passport, now has to get a visa to come back in. Let's lead.

Do we have biometric passport production capability for U.S. passports? Do we have readers in all of our airports for U.S. passports to come on in? Why are we dictating to somebody else what we're going to do if we're not willing to do it ourselves? Let's lead ourselves into this new future. Let's do this in a way that makes sense. And let's recognize that by not doing that, all we're doing is we're heaping costs upon costs so that we can have that enforcement that Bill was talking about. If this wasn't a problem, why do we have 200 people in this room today?

Charles Vest: I think in terms of concrete actions, there are two. First, speaking narrowly if you will, from the university/scientific community, our request would be remarkably similar to the request that has been made today, the discussion about a business visa. We would like to see a visa whose duration is commensurate with the typical length of study that a student or a post-doc is going to be here. That once the initial security clearance is approved coming in under Visa Mantis, one can go in and out freely, and there will be no change in that unless there is some actual reason to do so. And that also would reduce the burden we heard a lot about earlier today of the Section 214(b) of the underlying legislation which is trying to prove this lack of immigrant intent coming in.

We are absolutely schizophrenic on this point because day in, day out from the time I was president of my institution, in the morning I would go to one meeting and I would hear about how it's our policy not to let people in if we think they might stay. Then in the afternoon I'd go to a different meeting, and get beaten up because you guys have educated all these foreign students and they're going back home again. Why aren't they staying here and contributing to our economy? [Laughter]. This sounds like --

Frank Sesno: Donating to their alma mater, by the way. [Laughter].

Charles Vest: It sounds like a joke, but this underlying schizophrenia, somehow we have to get by.

Frank Sesno: That's a very tough one. You weighed into some very deep public policy and public opinion there.

Rick Kirkland: But it's not tough if you think about it, because either way we win. If they stay here, they contribute to the national innovation base, the GDP here, our national wealth and our society, as they've been doing for 200 years. If they go back, they take all the links, and all the values that he was talking about earlier, with them.

Frank Sesno: Mr. Ambassador, I want to do a little shameless promotion for CSIS here and say in a report "From Conflict To Cooperation, Writing a New Chapter in U.S./Arab Relations," the following is written: "If the number of

exchange students from the Arab world continues to drop it could have serious consequences for our goals and relationships in the region for generations. We believe we must dramatically increase the number of young Arabs who study in the United States." How do you do that?,

Karim Tawfiq Kawar: First, I do agree fully with that notion that we need many more Arabs to come and study in the United States, and we need many more Americans that travel to the region as well. In order to do that, I think we need to look at the exchange programs, look at scholarships that could be organized that would attract many more, especially those bright minds who can't afford to come here because many of those who have come to the U.S. in the past are part of the affluent society, those who could afford it. So you have to have it more sort of universal. But also to encourage, I mean to overcome those challenges that we see in the visa issue. I wanted to touch on how to solve this issue.

Today when you do a background check on a 17 or 18 year old Arab student through the FBI and other security enforcement agencies, what records do they have on this young man or this young woman? Probably none. And probably that application gets rejected because of a similar match to somebody else's name who has a different birth date altogether.

So the best way to do this is to have the local security agencies in Jordan, for example, because Jordan is not interested in having any bad people come and travel to the U.S. or any troublemakers. We want to keep our good record here. So it's in our interest, and through our security agencies, to improve that process so they can be utilized to check the backgrounds on those people and make sure that those potential troublemakers stay in Jordan and not --

Frank Sesno: So a role for the local law enforcement/intelligence, beyond what's happening now.

Karim Tawfiq Kawar: Yes.

Frank Sesno: Not just an FBI, Department of State, DHS matter is what you're saying.

Karim Tawfiq Kawar: Well certainly. And this is where there is a huge resource there that's probably untapped. I'm not aware of -- I guess in our case it's not spies that you're trying to block against, but in any case I think this is where we can see improvement.

Frank Sesno: All right. I'd like to invite any comments or questions from the audience now, and we'll start over here if there's a mic and then move to this lady here. Fire away.

George Handy: Thank you. My name is George Handy. I'm with CSIS. I want to thank the panel for an extraordinary tour across all the key elements of this difficult issue. At CSIS we have a program that I'm associated with that's a business/government cooperative effort focused on Central and Eastern Europe, where we find some of the United States' most important allies within our new structures for cooperation.

Recent meetings there, that is to say in Poland, Hungary, Czech Republic, and Bulgaria, in addition to meetings like the one we're having here, put the visa issue at the top of the list for obstacles to U.S., foreign, science and high tech cooperation. In discussing this issue, all of the points, particularly those made by Mr. Kirkland and Dr. Vest, came onto the table. What was also extremely evident was lack of knowledge and understanding.

If we have taken recent actions to improve the visa process, they're not being communicated to our allies. If we have good plans, and even the intentions that are mentioned by the Members of Congress who spoke today, those are not being communicated. And intentions are a crucial aspect of this dilemma because, as the Ambassador said, we're not just dealing with a mechanical relationship, but we're dealing with a relationship per se, and attitude makes a large difference.

Communications, then, would be the one theme that I'd like to add to the list that you've stressed in being essential in maintaining these great relationships and allowing this science and technology cooperation to regain its momentum. One last point, as Dr. Vest brought out, science and technology is crucial for the future of America. It's also crucial for our best friends in Central and Eastern Europe. Thank you.

Frank Sesno: Would you all agree that the communications component is something, you know, that the word isn't getting out and that's a critical component here? And if so, how might we address that?

Male Voice: No question about it.

William Reinsch: I would agree. Even the point that was made here about the nuance of the visa waiver issues, we're just not able to communicate it.

Frank Sesno: Why aren't we, is that because you don't know or because it's too complicated?

Rick Kirkland: I can give you an example. The State Department did a very smart thing last year. In July they sent out a cable to all their posts saying, give us some best practices, tell us what you're doing to speed up the process. And got some good ideas. Then I guess in October sent another cable out to everybody saying, well here are all the good ideas, do this. That's a gross oversimplification but it was, they were both very helpful cables. It would have been more helpful, I think, if the State Department had announced they were doing that and had made the results public. We finally pulled them down off of some web site a month later. No publicity, no announcement, no nothing, and it was a good thing. And it's easy to brag about good things.

Frank Sesno: Are you addressing this in a vigorous capacity? Glad you came here today? Having a good time? [Laughter].

Woody: [Off mike]. Actually, [inaudible]. We [inaudible]. I think part of it was we had [inaudible] last fall [inaudible]. [inaudible] situations in country. [inaudible] foreign companies that are registered there. We processed over 6200 [inaudible] through that [inaudible]. And what these programs do is allow [inaudible]. So when I say that [inaudible], that [inaudible] for someone tied to the

program [inaudible]. [inaudible] India has similar programs. Sao Paolo, Singapore, and we encouraged everybody to work with [inaudible].

Frank Sesno: Stewart, maybe I could call on you and ask you to address this issue. Several issues that have come up, but in particular this issue of communication. That if progress is being made and the world doesn't know about it, that raises both issues of perception and reality because obviously there are people who are not taking advantage of some of these short circuits out there.

Stewart Verdery: I think the big thing is that all these processes are kind of works in motion. There's never a point where the government can say, we're done. Everything we're working on, whether it's operations overseas, U.S. Visit, SEVIS, all these other things are always being changed.

Frank Sesno: I know, but if you guys are dealing with the kinds of attitudes that the Ambassador was talking about, the kinds of things that George is talking about, and you're dealing in the Tom Friedman world, it's real time. Everything is real time. Impressions are real time. So how do you incorporate that into the way you operate?

Stewart Verdery: Well I think the best two ways are the ambassadors overseas who have to deal with their host countries. By definition they're our ambassadors to that host country, and have to deal with the stakeholders in that country. The other thing is I think the business community and universities are going to have the folks overseas selling their companies, selling their associations, selling the universities. They have to be essentially their own ambassadors in many ways for the best face they can put on things at the time, including what they think improvements are going to be coming down the pike. That's two things I would definitely point out.

Frank Sesno: Does that help?

Charles Vest: Well, I think even Stewart would agree that he's heard me here and other places. I always do try to tip my hat, but folks, the communication that's going on out there is when Sir Alistair goes home and says, by the way, folks, I've loved this crazy country across the pond for decades. Do you know what happened to me coming in? That kind of communication gets done no matter what.

And, I also want to keep us a little bit focused on the fact that it's not just, does the process get better. We want people to want to come here, and that's what I'm scared about and that, Mr. Ambassador, is I think what you're worried about. So I do think we have a duty to be up-to-date, to understand our information, to portray those things that are gaining efficiency, but let's keep on the big picture as well.

Frank Sesno: Okay. Lady right here.

Audience: Thank you. My name is Marlyn Davis (phonetic) and I'm with the National U.S./Arab Chamber of Commerce. My question is, could companies that have interest, let's say Boeing or Lockheed Martin, if they have interest in somebody coming to the States, can they somehow guarantee their stay or their visit so there are no over-stayers? If it's a university, can they maybe do

something to not only attract these students but also to make sure that they can actually guarantee the visa, have them stay, and make it easier for business to continue? Now that might be a conflict with security issues, but I don't know whether that is doable.

William Reinsch: We looked into that at great length, and the answer I think is yes and no. There were a lot of companies that are prepared to make commitments like that, including making sure that whoever it is gets on a plane and leaves. We ran into two problems. One problem was, as I said earlier in response to the question from the person sitting next to you, is that the State Department reflected a lack of interest in going down that road in any formal sense, and so that kind of stopped the discussion.

The other problem is sort of the security issue. When you get into it with the enforcement people you have a dialogue in which the company says, well, we will guarantee that while the individual is here he's only going to work on this and this and this and is only going to be in this part of the building and we have key card access, he can't go over here. Then the enforcement response is well, that's all fine but what about nights and weekends? What about when he's not in your facility and he's somewhere else? The conversation you then had with the companies was, and this was serious, somebody said well, we won't commit to ankle bracelets.

Frank Sesno: Somebody actually said that?

William Reinsch: Somebody actually said that. The point was, you get into an endless dialogue. If you're going to accept the paradigm that you can actually produce perfect security by monitoring these people, the list of demands that are going to be made on you by the enforcement community are endless. And the corporate community is not prepared to supply ankle bracelets, it's not prepared to monitor these people every minute of the day. They think that's insane. So they can't meet... you know, the demands keep escalating in that kind of a dialogue and they cannot be met.

Marlyn Davis: So how is the enforcement community, what are they doing that you cannot cooperate, corporations cannot cooperate with them to be able to find a solution between the two? Meaning if the enforcement community has a list of things, can't they give them to the corporations and work something between them?

Rick Kirkland: Yes, but to your point, and I think it is real clear. The more you can go to the enforcement community and say I can do something, the more demand there is for that. We are rapidly moving into exchange of information electronically for all projects. We have a multinational project in which we do only electronically. Therefore I can ascertain every document that flows to every particular computer. We do access by levels of security and key cards that go in there.

The enforcement community then has said, well good. Then to make sure that we know what you got and you got, I want a record of everything that you looked at and everything that you looked at. In the paper system I would have to

say this is your access to information, this is your access to information, certify it was done. It would be one piece of paper. The last report for this particular project was about a thousand pages worth of paper. Nobody's going to read it, nobody's going to look at it. The cost to produce that, the time to produce that is now added to the cost of the product that we as taxpayers are paying. All driven because the enforcement community says oh, you have more data so I want to see it. Somehow you've got to bring that back into balance.

Audience: My name is Dr. Margaret Orchowski. I'm an academic but I'm also a journalist in international education and I'm writing a backgrounder for the Center on Immigration Studies on the foreign student situation. Mr. Verdery must be very frustrated hearing you all talk about visas when he mentioned what the real elephant in the living room is, and that's immigration. We're back to immigration.

The fact is that foreign students have used the foreign student visa as a de facto immigration visa, even though it is a non-immigration, temporary visa. And all these problems of delays and denials have all been because of this intent to immigrate. So that is the biggest problem. As this lady just asked, why can't they stay afterwards? Because it is a non-immigration visa. It's part of our whole immigration reform question.

My problem, my question to you is, I think what Tom Friedman has pointed out is that we're almost too late on this. Now we're talking about maybe making the foreign student visa an immigration visa, and again, remember there's over 600,000 foreign students right now. They're not all at MIT. They are not all the best and the brightest. These are a lot of people going to community colleges, four year colleges, that doesn't even count students at trade schools. IIE does not count students at trade schools so we don't even know how many students coming in, foreign student visas are there. And most of them are coming here to work. They come here to study, but they're coming here with the intent to work. And there are two problems that they're going to stop coming, and it is not the visas. The problems as I've been finding in my research is as the job situation starts tightening up the H1Bs are fewer and we're beginning to check employers, which we never have done before. They're going to stop coming because there aren't the job opportunities. And number one is the cost. You never address, we are the most expensive education system in the world. The average foreign student pays \$20,000. As the Ambassador said, we need scholarships.

Frank Sesno: So may I ask you to frame this into a question?

Dr. Margaret Orchowski: What I would like you to address is the cost of our education, the other things that are going to keep our students from coming here, not the immigration part.

Frank Sesno: Okay, but we... I think that's very important and very valid and it once again comes back to the interconnectedness of all of these. We are having the conversation, though, in the context of visa and visa policy, so obviously overlap. President Vest, do you want to take a whack at that?

Charles Vest: One very quick answer to that, and I'm afraid I'm going to

shamelessly promote my own institution. But something we have started, which we hope will become a movement, is called Open Courseware, in which MIT is in the process of mounting the basic teaching materials for all 2,000 subjects we teach, putting them out there on the World Wide Web for free, to help students, more importantly to help teachers all around the world. This is something we think we can do to kind of give back to the world some of the things we've been able to achieve.

Secondly, you're absolutely right, not every institution can afford to do this, but with our undergraduate students our financial aid policies make no distinction between U.S. citizens and non-citizens. We try to do... anybody who is admitted, we attempt to see that they get the financial aid they need to continue. But I'd be the first to agree with you, we're talking about a tiny chunk of U.S. education.

Frank Sesno: Mr. Ambassador, do you have a point of view on that?

Karim Tawfiq Kawar: Jordan is a country that has suffered from a brain drain, so those minds do immigrate -- not just to the United States, but they seek job opportunities elsewhere. I have seen many instances where people who have come and have studied in the U.S., have spent maybe ten years after their graduation working in the U.S., and they decide that they want to go back and they want to take their families back. And I think that's the best thing that can happen between the two countries because one, this is a person, whether he or she has gotten exposed to a different culture, they've gained a different experience. They probably made some savings and now they are going back and they want to invest that savings back in their country. They want to establish relationships between the Jordanian firm that they're either starting, with an American firm. That helps the economies.

So I do agree with you that you do want to create economies back in those countries that don't encourage people to immigrate, but they encourage them to go back, and I think the visa procedures have to take that in mind. So when you are profiling people, what are you looking for and how do you ensure that they do go back.

Frank Sesno: Take time for one or two quick questions more from the floor. Then I want to give our panelists an opportunity to wrap up.

Audience: Milan Civic (phonetic), I'm also from the State Department, from the Office of the Science and Technology Advisor. I just wanted to address an earlier point that was made on communicating the fairly recent changes to the visa policy, in particular Visa Mantis. That change took place at the end of February of this year, and both the Science Advisors office and Consular Affairs made great efforts to communicate this broadly, but through our conventional means. So if there are any suggestions of better or new and different ways of communicating, we would welcome that.

Frank Sesno: Any suggestions from the group? Otherwise, we'll take it under consideration.

William Reinsch: We'll be in touch.

Audience: My name is Betsy Cooper and I'm from the Migration Policy

Institute, and it's a great honor to be here today. I just wanted to let you know about a project that we've been working on. Over the past six to nine months now we've been working on a visa paper to cover all of the issues that have been addressed here today. It will be published in June, and we've covered a lot of the major findings that we found and I've heard mentioned here so far. The lack of a comprehensive strategic visa policy, the lack of evaluation for some of the programs that have been in place, and the lack of communication that we can make between us and the government agencies.

There has been a lot of progress from what we've seen over the past three years, but at the same time there's a lot to be done, especially on the facilitation side, as I think this panel has really aptly shown. I'd also like to let you know that we've started a task force at the Migration Policy Institute that will be announced today. Our co-chairs are Lee Hamilton from the 9/11 Commission and Spencer Abraham, the former Secretary of Energy, and we'll be covering these visa policy issues into a greater setting, and Mr. Verdery will be participating as well.

So we look really greatly forward to working with CSIS and the other individuals who are interested in these projects and I hope to be able to share the results of our study with you soon.

Frank Sesno: Before you sit down, what is the objective of your study? What are you trying to influence? Who's your audience?

Betsy Cooper: Our audience, hopefully, are the policymakers, both on the executive branch and the legislative branch side, but the purpose was to evaluate the success of Secure Borders and Open Doors and to evaluate how much progress we've made, which is a lot, and how much is to go, and a lot as well.

Frank Sesno: And recommendations?

Betsy Cooper: Yes, absolutely. We'll be finalizing them very very shortly.

Frank Sesno: We'll look forward to that. Perhaps we can go around the panel here by way of summation. There's been a great deal of discussion and observation today. If you were to lay out your priorities, perhaps for this task force, perhaps for those in the room who are from State or DHS or from private sector business organizations that are trying to tie these loose ends together and either look for the information points or the pressure points to improve this situation, what would you lay out as your priorities, where we stand now?

Rick Kirkland: I'm still convinced that the long term issue of where are we going to get the next generation of technical workers for this country is the key issue. I agree with the Ambassador, part of this is also the exchange of ideas and information, because we do have a global economy. We're going to have to learn to work better among the world community in order to solve this problem. But that's the key issue of which the visa issue is part of it, but it's not the only part of it. We've got to solve that problem.

Charles Vest: I would ask that we maintain something of a historical perspective. In my lifetime we have been through essentially this same discussion, starting in the '50s with the McCarthy era, moving into the Cold War

era where we worried about losing, leaking all of our technology through foreign students and visitors and open communication. We then moved into something which never seems to be mentioned in this, and it was only about a decade and a half ago, was when we were afraid our industries and our economy were going to be trampled by the Japanese. We didn't want Japanese students here and we didn't want exchange programs. Then finally, just prior to 9/11, and it was referred to today, the community was deeply engaged in debates and problems regarding export controls and deemed exports. We've been round and round this, and my view is every time, the ultimate lesson is openness is the best approach. I just hope we can start with that as our underlying philosophy.

Frank Sesno: Do you think we can be more open and more secure?

Charles Vest: I believe we have to be.

William Reinsch: I was going to say something else, but that was so good. [Laughter]. That was exactly right. The issue is, and will continue to be, running faster and not trying to tie the other guy's hands. We are doomed to failure if we spend all of our time trying to plug the leaks.

We cannot possibly do that. There are too many of them, it's too complicated, the technology world is moving too fast. We need to concentrate not only our resources, but also our policymaking process, on how do we get to where we want to be? How do we get the workers we want? How do we get the level of innovation we want? How do we make sure our institutions are strong? If we're worried about them all the time, that's a policy of fear. What we need to pursue is a policy of our own strength and how to maximize it.

Frank Sesno: That being the case, though, address this issue of where the private sector and where the security components overlap, coincide? How do we do what he said and be more secure?

William Reinsch: I wouldn't go at it in quite that way. I think one of the things that the government has never understood is the private sector is going to respond to its own change in equilibrium in its own way. The government is always slow in figuring these things out. The private sector is not going to do what the government wants just because the government wants them to do it.

I played a wargame, it was a DHS wargame in New York in February which involved... the Port of New York was closed because of some unspecified terrorist incident and the game was sort of, what do you do? I was on the oil company team, and what we did was freeze fifty people to death and close a chemical plant that cost a thousand people their jobs. Not with glee, but that was the way it played out. And one of the reasons it played out that way is because the government didn't realize that the minute something happens, the minute there's a visa policy change -- The business response is not generally, well, how do we reverse that? I mean, that's part of the business response. The business response is, what do we do? And they think about alternative supply chains, they think about alternative ways of doing business, they think, in this context they think about moving, can we go somewhere else.

So the business community, the private sector response to this kind of

problem is not necessarily, let's go have the conversation with DHS and have a compromise and work everything out. The business community response is, let's go off-shore and we'll build our research lab in Shanghai, we won't have this problem, and four years from now we won't have this problem because there won't be as many visa applications and there won't be long lines in China because we'll have our software facilities over there where they're going anyway. So it's sort of a false assumption to assume that the business community is simply going to respond the way the government wants them to respond.

Now that said, we've tried to have this dialogue, we continue to have a dialogue. Some of it, I have to say, when you have private dialogue is a little bit like this. You go to DHS and complain, which I'm good at as you probably can tell, and they say well, you're really talking about process. Go talk to the State Department, they do process. Then we do that. We go talk to State and talk about the process, and what they really say privately is well, we're being forced to implement all these stupid policies from DHS, and if it weren't for them this would all work smoothly. [Laughter].

So having the dialogue is a little complicated. One of the things it wouldn't hurt for your project to look at is structure and whether we are organized in a way to facilitate smooth decision making. But also go back to what I said a while back, too. We've tried to get into some of these issues in response to the question of how can we, the business community, assume some obligations and make some commitments here? And we haven't, the response hasn't been open arms and open hearts on that one and I can't really explain that. But people say we don't really want to do that. The business response is well, okay, we'll go do something else.

Frank Sesno: Mr. Ambassador? You get the last word.

Karim Tawfiq Kavar: Thank you. First I would suggest you start meeting with the State Department and DHS at the same time. [Laughter].

William Reinsch: Why didn't I think of that? Very wise. [Laughter].

Karim Tawfiq Kavar: If we are worried about immigration and about jobs in the United States, let me share with you the challenge that we have in the Arab world. Twenty-two countries that today have a population of 300 million people will double by the year 2020. We'll reach 600 million people. We need to create 120 million new jobs to maintain unemployment at the level that it is today. Those 22 countries have a smaller economy than one country in Europe, whether it is Italy and Spain, and we're not talking about France or Germany. So there is a lot -- That's our problem. That's something that we need to deal with. But I'm afraid that our problem might become your problem as well.

This is where, when we look at education, how can we bring the brightest minds from our region that can come and study at universities such as MIT, and go back and create those opportunities, create those companies, and capitalize on U.S. technology to invest more, and localize it and spread it throughout the Arab world. And I think here when you look at visa issues, just keep that bigger picture, which is also scary for us, in the back of your mind, and I hope things can

move in the right direction.

Frank Sesno: If you'll permit one comment. You raised the issue of communication, and one thing that strikes me as I listen to these conversations and consider it in the context of the larger national conversation is that our fundamental prism of reality has changed dramatically in this country since 9/11. For 40 years if we wanted to do a story, get a story on the air or in the newspaper, it was about communism and whether it was Mozambique or Nicaragua or the Middle East, that was our prism. It was a Cold War prism.

We are now in a post-9/11 prism, and the unknown is bad. And they who might do us damage are bad. And so in our national conversation, we have thrown all this stuff together, and in the challenge of communicating this is also to untangle it. Because in untangling it and in perhaps bringing it before the American people and policymakers in a clearer way, in a more complex way explaining what the national interest and national security really is, looking to those four years from now when the plant just isn't here any more - now your prism is jobs. Now your prism in national security is whether we're going to be the leaders in research and development. Now you've got my attention -- the public, I hope. And my attention I hope in the media and perhaps as a result, policymakers. Perhaps that's how we can reset the agenda and drive some of this discussion forward, which clearly needs public engagement in a very profound way, as well as engagement from the private sector and the international community and all those who are affected by this. So I think this has been a very interesting conversation. I thank you, and we'll turn it back over to John Hamre.

John Hamre: Let's thank all of our panelists. [Applause].

We should also warmly thank Frank Sesno. He's done a terrific job. [Applause]. We're going to wrap up very quickly. Let me first turn to David and ask for his observations, and we'll get you out of here very quickly.

David Wilson: Thank you. I just have three observations. The first one is directed at those of you who weren't born here. A student visa isn't necessarily an immigration visa. There are many who come to this country to study. I was one of them.

Frank Sesno: Ah, even better.

David Wilson: I was one of those students, and I came to this country to study at the University of Illinois. I had every intention of returning home at the end. In fact I'd even found the house I planned to buy, my first home, as I returned to the University of Toronto. But I found the opportunity, the challenge, the energy, the excitement, the intellectual stimulation in the marketplace was far greater here. This was a land of opportunity, and so while I came with every intention of returning, I fell in love with America and stayed and became a citizen. Including my little jaunt down to San Antonio to get my green card which was a rare moment. [Laughter].

Your Excellency, you said something absolutely fascinating that I'm not sure others have captured quite as much as I did, but I watch patterns as the --

Our little company, by the way, is well known for ruining people's lives. We own the GMAT which is the business school graduate test. I was sorry to hear that GRE got equal attention this evening. So be it. [Laughter].

We do see patterns, and one of the great patterns that we are witnessing today is that the marketplace is not waiting for us to change our visa restrictions. The marketplace is moving quickly, globally, to create competitive schools, to attract your students and to attract students from all over the world including, by the way, students from here, from this country. In part because of the economics of it, as was raised by the spokesman a moment ago, but in part too, because it's a challenge for a global world. Many don't want to come here because of whatever, but visa restrictions being a clear part of it.

So the question I think we have to really address is, how far out of the station is that train? Because that train has clearly left the station. And we're going to take some time to try and catch up to it. It's a bit like the old western where they're running down the track and hoping to catch up to that train. I hope that we can catch up, and I do hope that State and Homeland Security can sit down together and help us address that.

My last comment, just a closing observation. When Frank Carlucci mentioned the idea of this conference, or the idea of the problem at a breakfast with John, we decided it was important to participate. But in doing so, we didn't think for a minute that this was simply an event, because we're asking to make a substantive change and change is a journey. So we have not only been honored to be a participant in this first stop on our journey, but we would like to commit to support and stay with this journey until it's finished. [Applause].

John Hamre: Thank you, David. And let me say thanks to all of you in the audience. The quality of a day like this really is the interaction, the energy that the speakers feel coming back from you, so I really want to thank you. It's really been splendid.

We do need to get an integrated approach. As I frequently say to my friends, there's something wrong when we inspect a hundred percent of the people who come into this country, two percent of the cargo containers, and zero percent of the electrons. We are clearly creating an incentive to ship our jobs and our intellectual talent overseas by the way we're approaching this problem. This is not good for our long run.

The problem is that what we have is two unbounded objectives. We have this great fear of an unknown, the next September 11th, and so it's completely unbounded in our imaginations; and we have also an undefined set of values or set of benefits that we're losing with poorly designed security. It's these two undefined qualities at war with each other that are really at the core.

Frankly, our decision makers don't know what to do, because we're not helping them come up with concrete choices, and we really do have to do this. I think the ideas in this room, we've got to be devoting ourselves to. Finally, this is not about the cops. I mean, I come from a cops family. This is not about the cops. The cops are going to be narrow-minded and rigid. That's what's in us.

That's our nature. This is about the political leadership in the country. They have got to give direction for balancing these two. You can't ask just the cops to strike a balance between the openness and vitality of society versus protecting society. We have got to do that with our elected officials. That's why these kinds of venues are so crucial and why it's so important to have all of you here.

Thank you again. It's been a splendid day. We are going to be continuing this effort. We'd like to have your help. Thank you.

[Applause].

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