

Testimony of  
Dennis J. Slater  
President, Association of Equipment Manufacturers

Before the  
Committee on Government Reform  
United States House of Representatives

April 4, 2006



The Association of Equipment Manufacturers (AEM) is the North American-based international trade group providing innovative business development resources for manufacturers of equipment, products and services used worldwide in the construction, agriculture, forestry, mining and utility fields. AEM also owns or co-owns and produces several international trade exhibitions which are the industry leaders for their market segments.

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Chairman Davis, Ranking Member Waxman, Members of the Committee, thank you for the opportunity to testify about problems with the visa process. As a trade show producer, these problems have caused difficulties for the Association of Equipment Manufacturers (AEM) in getting international attendees at our recent shows.

My name is Dennis Slater, and I am the President of AEM and the Immediate Past Chairman of the International Association of Exhibition Management. From our experiences working to bring international visitors to the U.S. to purchase equipment at our trade shows, we believe that the visa process is inconsistent, expensive and not transparent for foreign visitors and U.S. companies alike. The United States seems to be turning away large numbers of potential customers from the many dynamic developing economies in the world, and sending them directly to our competitors in Europe and Asia. Although we support the government's focus on border security, we believe that there are a number of ways to reform the consular process that would increase consistency and transparency for applicants and sponsors without harming and perhaps even increasing security.

AEM is the international trade and business development resource for companies that manufacture equipment, products and services used worldwide in the construction, agricultural, mining, forestry, and utility fields, headquartered in Milwaukee, Wisconsin. We see our role as providing a variety of trade association services on a global basis to our members, including education and training services, statistical and market trend analyses, government relations, technical and safety information, international marketing support and, most importantly, trade show organization and management. In fact, our trade show services are responsible for a large part of our revenue, which allows us to employ nearly 50 people in Milwaukee and provide many of the other services for our member companies.

Although we co-own and produce other trade shows, my testimony today will focus on the three shows held in the last year. AEM is the owner and producer of CONEXPO-CON/AGG, the largest trade show in the Western Hemisphere for the construction, aggregates, and ready mixed concrete industries. This show is held every three years in Las Vegas, most recently in March 2005. We also own and produce the International Construction & Utility Equipment Exposition, (ICUEE), the equipment industry's premier show for outdoor equipment demonstration which is held every other year in Louisville, Kentucky and most recently in September 2005. We co-own and produce the World of Asphalt (WOA), which was held last month in Orlando. Our member companies and exhibitors do millions of dollars of business during these trade shows.

For this reason, AEM has ensured since 1981 that CONEXPO-CON/AGG has been a participating show in the Department of Commerce's (DOC) International Buyer

Program (IBP), which helps to bring thousands of international buyers each year to meet with U.S. companies at major trade shows in the United States. Through this program, the DOC and its Foreign Commercial Service officers promote international buyers' attendance at U.S. trade shows in order to promote U.S. exports. The IBP has been a valuable resource for AEM to attract both exhibitors and international buyers to our trade show.

China and India are two of the largest markets in the developing world, with an increasing appetite for equipment to improve their physical infrastructure and agricultural productivity. Unlike your average consumer good, equipment is a major financial investment with significant transportation costs, and, like your average car buyer, our members' customers like to kick a few tires before making such an investment. For most of our small- and medium-sized members, it is not possible to ship a piece of equipment for pre-purchase inspection, nor is it economically feasible to fly in many potential customers. For these companies, and many others, trade shows function as a way to reach potential customers- including international customers- for one reasonably low price. With such interest among our members in selling in China and India, we put in an extra effort to bring those buyers to CONEXPO-CON/AGG, ICUEE and WOA.

Because we anticipated difficulties for our all our international attendees, we encouraged them to apply for their B-1 visas six months in advance of the show, but no later than three months. We provided official letters of invitation and supporting materials about the show to every attendee, ensured that our events are listed on the State Department's internal calendar for international events, and worked closely with the DOC and its Foreign Commercial Service.

For CONEXPO-CON/AGG in particular, I had one staff member in Milwaukee working exclusively on facilitating international visitors' applications, and additional staff in our China office working with applicants and the appropriate consulates to monitor and assist with applications. Through the hard work of my staff, nearly 21,300 international attendees visited CONEXPO-CON/AGG last March.

We did however experience a number of unfortunate and disappointing problems. In India, for example, nearly half of one 40-member delegation was refused visas and 12 delegates decided to cancel their visa appointments altogether due to the difficulties experience by their peers. Most have decided to attend rival trade shows in Europe, where many of our American member companies cannot afford to exhibit. In a letter to AEM, the Indian delegation leader wrote that they were advising their members not to attend any U.S. trade shows in the future, expressed disappointment at the treatment their members received at the U.S. consulate, and suggested "the U.S. embassy does not want to promote business between the two countries."

Because we had staff in China dedicated to tracking and assisting on visa applications, we have more hard data on the Chinese experience. We had 796 applicants work through our China and Milwaukee offices to obtain visas to attend CONEXPO-CON/AGG. Many others were invited directly by our member company exhibitors, but we do not have data

on those applications. Of those 796 applications, 161, or 20.23%, were denied visas. An additional 84 applicants, or 10.6%, decided, in the end, not to attend our show.

We strongly feel that a 20% refusal rate is far too high. Many of our applicants, regardless of whether they received a visa or not, found the process to be time-consuming and expensive, experienced long wait times between application and interview, and found their interviews perfunctory at best. What is clear from viewing the data, however, is that there is a great deal of variability among consulates and some striking patterns of refusals related to age and gender. We share this information not to cause problems for the consulates, who have often been helpful in responding to inquiries from AEM staff, but in the hopes that this can highlight some of the process problems we believe need to be resolved.

In part, our analysis of applicants found that they experienced significantly higher refusal rates in Shanghai than Beijing, a startlingly high refusal rate in Chengdu and an interesting low one in Guangzhou. Women were far more likely than men to be refused visas overall, while women under forty were twice as likely to be refused visas as their male counterparts.

In terms of the various consulates, 382 of our applicants applied through the Beijing office and 17.8% were refused. This is the office with the most capacity and with which AEM's China office has the longest relationship. In Shanghai, there was a 26.2% refusal rate for our 237 applicants. In Shenyang, 8 of our 33 applicants (24.2%) were rejected; in Guangzhou, 2 of 95 applicants (2.1%); and in Chengu, 21 of 49 applicants (42.9%) were rejected.

When we began looking at our data more closely, some disturbing patterns emerged. For instance, 29.8% of the 131 women who applied for visas to come to CONEXPO-CON/AGG were refused, while only 18.4% of the 665 men were unable to get visas.

The average age of the applicants overall was 42.05; the median age was 41, when the age was known. Of those that received visas (when age was known), the average age was 42.32; for those rejected, it was 40.93, indicating that a larger percentage of younger applicants were rejected than older. We also examined refusal rates by age group, finding that applicants under 30 were refused in 31.1% of cases; those under 40 were refused in 15.2% of cases; those under 50 were refused in 23.8% of cases; those under 60 were refused in 18.7% of cases and those over 50 were refused in 10.5% of cases.

Furthermore, when our data was broken down by gender and age group, disparities became even starker. Nearly 44% of women under 30 were refused visas, while only 19.4% of men were. Between the ages of 30 and 39, 22.5% of our female applicants were refused visas while only 13.5% of our male applicants were.

But our Indian and Chinese applicants were not alone in these experiences. A delegation from Ecuador arrived for their interviews- at significant personal expense- with invitation letters, brochures and financial statements only to be told that "the consulate didn't know

anything about our event and didn't see a need for the contractor to attend," despite CONEXPO-CON/AGG being listed on the State Department's intranet database of key U.S. trade events with large international attendance. Despite personal letters from AEM staff and the intervention of DOC staff, their appeal was denied for the same reason. In a delegation of more than 40 contractors from Romanian, only 14 received visas with the bulk being told- in their experience, rather rudely- that the consular officers did not expect them to return if they were granted visas for the show. Many of our member companies, attempting to bring customers to the show had similar experiences all over the world.

AEM members that exhibit regularly at the ICUEE show, last held in September 2005, strongly value the participation of international buyers. Although we have not compiled statistics on visa applications similar to that for CONEXPO-CON/AGG, my staff in Milwaukee and China have confirmed that the visa process is a continuing problem for our international visitors, particularly in China and India.

For instance, in India, a delegation organizer wrote us to complain that their visa applicants had to wait a minimum of three months for an interview appointment. According to the Government Accountability Office (GAO) study, the State Department itself considers any consistent delays in excess of 30 days significant<sup>1</sup>, and yet there are consistently reported delays of more than 90 days at most Indian consulates. Furthermore, the applicants reported that they are rarely asked questions about their businesses, the consular officers appear to rarely read supporting materials brought to the interviews, and that their interviews (despite the time and expense involved for applicants) are treated as perfunctory precursors to denials. As is the case with one of our CONEXPO-CON/AGG delegations, many of these applicants will attend competitor trade shows in Europe or Asia, and likely never again make an effort to attend those produced by AEM.

Although the WOA show is significantly smaller, it still draws a significant number of international attendees. The largest delegation was from China, where AEM staff remains significantly involved in the visa application process. In the end, AEM assisted 16 applicants who applied for interviews, and 25% were rejected. In Beijing, where the State Department has implemented a number of reforms, only one of our nine applicants was rejected. In Shanghai, one of our five applicants was rejected and in Shenyang, both our applicants were rejected. Although this is obviously a significantly smaller sample size, this pool of applicants' results is statistically similar to the results from CONEXPO-CON/AGG applicants, where refusal rates were significantly higher in Shanghai and Shenyang than in Beijing.

All businesses- mine or my members' - are dependent on transparency and consistency in government policy. It has been our experience in the last year that the visa process is neither transparent nor consistent, and I think our data and anecdotal evidence bears this out. This lack of transparency and consistency has required me to allocate my business'

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<sup>1</sup> Government Accountability Office. Report to Congressional Committee. "Strengthened Visa Process Would Benefit from Improvements in Staffing and Information Sharing." September 2005. Page 17.

resources to visa application tracking and advocacy and away from promotion and attendee recruitment efforts.

We have several suggestions about how to improve upon the current process.

**State Department should allocate more staff to high-applicant posts and provide more training.** Many of the consistency problems and the problems with wait times and perceived rudeness might well be solved by the allocation of more staff and by providing more training to incumbents, as suggested by the aforementioned GAO study.

**State Department should also prepare applicants more thoroughly for the focus of the interview.** We have received many stories about applicants arriving with a business case for attending a trade show, only to be asked personal questions about children, marital status and the like. We suggest more public outreach in these countries by the State Department about what information needs to be provided in order to satisfy section 214(b) of the Immigration and Nationality Act which assumes all applicants are immigrants unless the consular officer is otherwise convinced of an applicant's nonimmigrant status.

**Make 214(b) refusals more transparent.** AEM has asked in letters to Secretaries Rice and Chertoff (see attached) that State and DHS take measures to reduce the seemingly arbitrary use of section 214(b) denials as a catch-all category by establishing specific criteria for 214(b) denial, providing for consular officer explanation of denials, and building accountability into the system.

**Differentiate business visa applicant procedures.** Requiring the use of the best practices described in State cable 225608, October 10, 2004, including the establishment of a "Business Window" at posts, time block set-asides, business facilitation units, and group appointments would help our business and my members' potential customers tremendously.

**There should be a streamlined process for business applicants who have received and complied with the terms of temporary business visas in the past- like regular trade show attendees.** Many trade show attendees are regulars at trade shows over the years, and yet are subjected with each application to the same rigorous screening as an unknown applicant. It might be a better allocation of limited government resources to develop a frequent-applicant program, like the frequent-traveler program in the United States, allowing frequent business visitors to the United States to undergo one thorough screening and then limit the number of interviews necessary for additional visas.

I appreciate the opportunity to testify and look forward to your questions.

## CONEXPO-CON/AGG Chinese Attendee Visa Application Data

Total Applicants through AEM: 796  
 Applicants Rejected 161 (20.23%)  
 Refused to attend after application 84

### By Consulate

	Beijing	Shanghai	Guangzhou	Chengdu	Shenyang
<b>Total</b>	382	237	95	49	33
<b>Rejected</b>	(17.8%) 68	(26.16%) 62	(2.11%) 2	(42.85%) 21	(24.24%) 8
<b>Won't Attend</b>	44	23	8	6	3
<b>Unknown</b>	2	1	3	0	0

### By Gender

	Women	Men
<b>Total</b>	131	665
<b>Rejected</b>	(29.77%) 39	(18.35%) 122
<b>Won't attend</b>	14	70
<b>Unknown</b>	1	5

### By Age<sup>2</sup>

	Under 30	30-39	40-49	50-59	60+	unknown
<b>Total</b>	77	210	290	123	38	58
<b>Rejected</b>	(31.17%) 24	(15.24%) 32	(23.79%) 69	(18.7%) 23	(10.53%) 4	(13.79%) 8
<b>Won't go</b>	4	10	41	21	2	6
<b>Unknown</b>	0	5	0	1	0	0

Average Age of Applicants 42.03 years  
 Median Age of Applicants 41 years  
 Average Age of Accepted Applicants 42.32 years  
 Median Age of Accepted Applicants 46 years  
 Average Age of Rejected Applicants 40.93 years  
 Median Age of Rejected Applicants 41 years

<sup>2</sup> Age as of date of CONEXPO-CON/AGG 2005, March 15-18, 2005)



## By Age and Gender

### Under 30

	Women	Men
<b>Total</b>	41	36
<b>Rejected</b>	(43.9%) 18	(19.44%) 7
<b>Won't attend</b>	1	3
<b>Unknown</b>	0	0

### 30-39

	Women	Men
<b>Total</b>	40	170
<b>Rejected</b>	(22.5%) 9	(13.53%) 23
<b>Won't attend</b>	6	4
<b>Unknown</b>	1	4

### 40-49

	Women	Men
<b>Total</b>	33	257
<b>Rejected</b>	(27.27%) 9	(23.35%) 60
<b>Won't attend</b>	6	35
<b>Unknown</b>	0	0

### 50-59

	Women	Men
<b>Total</b>	7	116
<b>Rejected</b>	(14.29%) 1	(18.97%) 22
<b>Won't attend</b>	1	20
<b>Unknown</b>	0	1

### 60+

	Women	Men
<b>Total</b>	5	33
<b>Rejected</b>	(20%) 1	(9.09%) 3
<b>Won't attend</b>	0	2
<b>Unknown</b>	0	0

### Unknown

	Women	Men
<b>Total</b>	5	53
<b>Rejected</b>	(20%) 1	(13.21%) 7
<b>Won't attend</b>	0	6
<b>Unknown</b>	0	0