

Advocacy Recommends that the State Department Complete an Analysis of Small Business Impacts for Exchange Visitor Program Changes

On November 20, 2009, the Office of Advocacy (Advocacy) filed a comment letter with the State Department on its *Proposed Exchange Visitor Program-General Provisions Rule*. A complete copy of Advocacy's letter to U.S. Department of State is available at www.sba.gov/advo/laws/comments/.

- The State Department designates U.S. government, academic, and private sector entities to conduct educational and cultural exchange programs; sponsors facilitate the entry of more than 275,000 exchange participants each year to the United States. This proposed rule is a comprehensive revision of the Exchange Visitor Program, and impacts programs that bring in high school students, au pairs, camp counselors, summer work travel, interns, trainees and teachers.
- The proposed rule would require sponsors coordinating these programs to complete annual management compliance audits, which small entities estimate will cost \$10,000-\$20,000 annually to complete. Sponsors will also have to obtain Dun & Bradstreet (D&B) reports on their business and all third parties who they work with. Businesses hosting exchange visitors will also incur the costs of obtaining a D&B number profile, and added costs that sponsors pass onto them.
- This rule would also require sponsors to verify placement for exchange visitors before starting the process of obtaining visas for these individuals. Small business representatives representing sponsors, camps, high schools, amusement parks and ski resorts estimate that this delay in visa processing times will decrease participation in the program by 30 to 60 percent; this will negatively impact access to reliable staff and decrease revenue for small businesses in peak seasons.
- Advocacy is concerned that the State Department has not complied with the Regulatory Flexibility Act (RFA), as the agency did not measure the impact of this proposal on small businesses or consider less burdensome alternatives. After conducting outreach of regulated small entities, Advocacy recommended that the State Department complete an initial regulatory flexibility analysis, as this rule may have a significant economic impact on a substantial number of entities.

For more information, visit Advocacy's Web page at <http://www.sba.gov/advo>, or contact Assistant Chief Counsel Janis Reyes by email at Janis.Reyes@sba.gov or by phone at 202-205-6533.