

# STATEMENT OF SENATOR CARL LEVIN

Ranking Minority Member

## PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Hearing On

*The Defense Travel System: Boon or Boondoggle? (Part II)*

November 16, 2006

Mr. Chairman, thank you for convening this important hearing and for the oversight that you have provided in a critical area of DOD operations. Every year, the Department of Defense spends roughly \$20 billion to develop new information systems and to operate and maintain existing information systems. Like so many other DOD programs, the Department's IT programs are troubled by cost overruns, schedule delays, and performance deficiencies.

The Defense Travel System (DTS) is no exception. When DTS was first conceived in the mid-1990's, the DOD travel system was a complete mess. Individual components of the Department entered their own arrangements with different travel companies, each of which had its own processes, systems and procedures. The travel process was paper intensive, with written travel orders required before the trip and written requests for reimbursement filed at the end of the trip. The travel process was separate from the voucher and payment process, which was itself separate from the financial accounting process. Management controls were lacking, and financial records were inaccurate and incomplete.

DTS was supposed to address all of these problems by establishing a single, end-to-end travel system based on commercial technology. Unfortunately, as in so many other cases, DOD tried to do the job on the cheap, without conducting adequate planning as required by the Clinger-Cohen Act and other applicable statutory requirements.

As a result, more than seven years after the initial DTS contract was awarded, the system still has not been consistently implemented throughout the Department. As a result, DOD currently bears the burden of paying for *both* DTS *and* the legacy systems that it is designed to replace. And, as is all too typical of DOD business system development programs, DTS appears to be deficient in meeting user requirements by providing the appropriate lowest cost fares for government travelers. DOD says that these problems can be fixed, but we do not know how much those fixes will cost or how effective they will be.

For this reason, Section 943 of the John Warner National Defense Authorization Act for Fiscal Year 2007 requires the Secretary of Defense to conduct an independent study to determine the most cost-effective method of meeting the Department's future travel requirements. The Department is prohibited from entering a new contract or expending funds for DTS until after this report has been completed and submitted to the Congress.

I do not know whether DOD should pursue DTS to completion at this point, or whether we would be better off scrapping DTS and starting over from the beginning. I do not know whether DTS will be more cost-effective if its use is mandated across the Department. I do not know whether the successful elements of DTS – such as the vouchering and financial systems – can be separated from the more problematic travel reservation system. It is my hope, however that the independent review mandated by section 943 will provide the answers to these questions.

Mr. Chairman, I thank you again for calling this hearing, and I look forward to the testimony of our witnesses.

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