

STATEMENT OF SENATOR CARL LEVIN
Ranking Minority Member
Permanent Subcommittee on Investigations
Hearing On
“The Defense Travel System: Boon or Boondoggle?”
September 29, 2005

Mr. Chairman, thank you for convening this important hearing and for the oversight that you are providing 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 conceived as an easy way to address these problems by taking advantage of commercial-off-the-shelf (COTS) technology. Rather than developing its own, unique travel system, the Department would pay a contractor to use a commercially-available system on a transaction-by-transaction basis. DOD was so confident in this approach that it originally envisioned that system would be up and running within 120 days of the effective date of the contract.

It was a good idea. Unfortunately, it ran up against reality. The Department of Defense has its own unique travel rules, and individual components of the Department have their own unique requirements and practices. Before DOD could use COTS technology, it would have to reengineer its travel practices – and the COTS technology itself would have to be modified – so that the two would match. Moreover, DOD wanted more than just a travel system. It wanted an “end-to-end” system that would be integrated with the voucher and payment process and with DOD financial accounting and management systems. The requirement for an end-to-end system meant that DTS would have to interface with dozens of unique DOD accounting and management systems. While these are laudable objectives, consistent with congressional policy, these interfaces would also require extensive modifications to the COTS system.

As we have seen over and over again, once DOD starts to modify COTS technology, it is not really “off-the-shelf” at all. As a result, schedules start to drag out and costs start to escalate.

That is exactly what happened with DTS. More than seven years after the initial DTS contract was awarded, the system still is not fully functional. The contract has been re-written to convert it from the original fixed-price, performance-based services contract to a development contract for the acquisition of a DOD-unique system. 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.

It is my hope that the Department will learn from its experience with DTS, and from this hearing, that it must do a better job of planning its IT acquisitions at the outset. The Clinger-Cohen Act of 1996 eliminated a cumbersome GSA review process, enabling DOD to purchase information technology (IT) products and services for itself, in a more efficient, streamlined manner. At the same time, the Clinger-Cohen Act required the Department to institute its own measures for business process reengineering, analysis of alternatives, economic analysis, and performance measures for their systems. Congress also expected individual agencies to take the steps necessary to ensure that their IT systems would be secure and compatible with each other.

Unfortunately, as shown by the DTS acquisition and so many others, DOD has failed to live up to its planning obligations under the Clinger-Cohen Act. 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. The Department itself must do the cost-benefit analysis needed to make that decision. I do know that we can and we must do a better job of developing and fielding IT systems in the future.

I look forward to the testimony of our witnesses.