



Highlights of [GAO-07-208T](#), a testimony to the Permanent Subcommittee on Investigations, Committee on Homeland Security and Governmental Affairs, U.S. Senate

## Why GAO Did This Study

In 1995, the Department of Defense (DOD) began an effort to implement a standard departmentwide travel system. The Defense Travel System (DTS) is envisioned as DOD's standard end-to-end travel system. This testimony is based on GAO's September 2006 related report. Today's testimony highlights GAO's key findings with regard to the following objectives: (1) Were the two key assumptions made in the September 2003 economic analysis reasonable? (2) Was DOD taking action to ensure full utilization of DTS and gathering the data needed to monitor DTS utilization? and (3) Has DOD resolved several functional problems associated with weak system requirements and testing? To address these objectives, GAO (1) reviewed the September 2003 DTS economic analysis, (2) analyzed DTS utilization data, and (3) analyzed DTS flight information.

## What GAO Recommends

GAO made four recommendations aimed at improving the management of DTS, including periodic reports on DTS utilization and resolution of inconsistencies in DTS's requirements. DOD generally agreed with the recommendations and described efforts to address them. DOD also strongly objected to the finding that the reported personnel savings were unrealistic. However, DOD provided no new data that was counter to GAO's findings.

[www.gao.gov/cgi-bin/getrpt?GAO-07-208T](http://www.gao.gov/cgi-bin/getrpt?GAO-07-208T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact McCoy Williams at (202) 512-9095 or Keith Rhodes at (202) 512-6412.

## DEFENSE TRAVEL SYSTEM

### Estimated Savings Are Questionable and Improvements Are Needed to Ensure Functionality and Increase Utilization

#### What GAO Found

GAO's analysis of the September 2003 DTS economic analysis found that the two key assumptions used to estimate annual net savings were not based on reliable information. Two cost components represent the majority of the over \$56 million in estimated net savings—personnel savings and reduced commercial travel office (CTO) fees. In regard to the personnel savings, GAO's analysis found that the \$24.2 million of personnel savings related to the Air Force and the Navy were not supported.

- Air Force and Navy DTS program officials stated that they did not anticipate a reduction in the number of personnel, but rather the shifting of staff from the travel function to other functions.
- The Naval Cost Analysis Division stated that the Navy will not realize any tangible personnel cost savings from the implementation of DTS.

In regard to the CTO fees, the economic analysis assumed that 70 percent of all DTS airline tickets would either require no intervention or minimal intervention from the CTOs, resulting in an estimated annual net savings of \$31 million. However, the sole support provided by the DTS program office was an article in a trade industry publication. The article was not based on information related to DTS, but rather on the experience of one private sector company. Furthermore, the economic analysis was not prepared in accordance with guidance prescribed by OMB and DOD.

- DOD guidance stated that the life-cycle cost estimates should be verified by an independent party, but this did not occur.
- The economic analysis did not undertake an assessment of the effects of the uncertainty inherent in the estimates of benefits and costs. Because an economic analysis uses estimates and assumptions, it is critical that the imprecision in both the underlying data and assumptions be understood. Such an assessment is referred to as a sensitivity analysis.

DOD acknowledged that DTS is not being used to the fullest extent possible, but lacks comprehensive data to effectively monitor its utilization. DOD's utilization data are based on a model that was developed in calendar year 2003. However, the model has not been completely updated to reflect actual DTS usage. The lack of accurate utilization data hinders management's ability to monitor progress toward the DOD vision of DTS as the standard travel system. GAO also found that the military services have initiated actions that are aimed at increasing the utilization of DTS.

Finally, GAO found that DTS still has not addressed the underlying problems associated with weak requirements management and system testing. While DOD has acted to address concerns GAO previously raised, GAO found that DTS's requirements are still ambiguous and conflicting. For example, DTS displaying up to 25 flights for each inquiry is questionable because it is unclear whether this is a valid requirement. Until DOD improves DTS's requirements management practices, the department will not have reasonable assurance that DTS can provide the intended functionality.