

**Findings and Recommendations of the House Armed Services
Subcommittee on Oversight and Investigations
in Support of the Readiness Subcommittee re:
The Defense Travel System**

“The Department of Defense probably has the most complicated travel rules on the planet...”

*--Mr. David Fisher, Director,
Business Transformation Agency,
Department of Defense¹*

Introduction

On Tuesday, April 15, 2008, the Subcommittee on Oversight and Investigations (O&I) met in two sessions, one closed briefing and one open hearing, to receive testimony on the Defense Travel System (DTS). This memorandum summarizes staff findings and recommendations of those sessions and staff research.

Findings

- (1) ***In fiscal year 2007, the Defense Travel System was used for only \$2.4 billion of the Department’s \$9.0 billion travel budget, increasing travel costs for the government.*** A recent study by the Institute for Defense Analyses (IDA) estimates that maintaining legacy systems, which require as many as 47 human “touches” to process travel, costs on the order of \$200 per trip rather than \$7.50 a trip, which adds up to as much as \$1 billion per year in costs to the Department. The Department plans on phasing out these legacy systems and stated that “...an initial sunset plan will be developed by the end of FY 2010.” According to Michael Dominguez, Principle Deputy Under Secretary of Defense for Personnel and Readiness, the Department has not projected when the legacy systems will be completely replaced. Until these legacy systems are replaced, avoidable costs will continue to be incurred.

- (2) ***The Department has contracted with many different Commercial Travel Offices (CTOs), each with unique contracts and different levels of service, cost, and support.*** The Defense Travel Management Office (DTMO) does not have authority over all the CTOs contracted by the Department. This situation has led to uneven levels of service, traveler dissatisfaction, and difficulty recouping money from unused tickets. When questioned during the April 15, 2008 hearing on the processing costs associated with official travel, Department officials could not estimate costs due to their lack of control over the CTOs contracted

¹ David Fisher, Director, Business Transformation Agency, Department of Defense, *The Defense Travel System: Hearing Before the House Armed Services Subcommittee on Oversight and Investigations*, April 15, 2008.

independently by the services. The Department intends to consolidate these numerous contracts to ensure they are uniform in terms of service requirements and costs and to provide for Department-wide oversight.

- (3) ***Adequate processes are not in place to ensure refunds of unused tickets.*** The Department could not adequately describe the process for ensuring that the government receives refunds for all unused tickets. Money from unused tickets goes unclaimed due to the combination of several factors: Defense Travel Management Office lack of control of legacy systems; inefficient contracts with Commercial Travel Offices; and immature management practices for travel controlled by DTS. The GAO plans to start their re-audit on this and other issues in the summer of 2008.
- (4) ***Travel policy guidelines for restricted fares must be improved.*** DTS currently defaults to flights with fares that have been pre-negotiated with the airlines by the Government Services Administration (GSA) under the “City Pairs” program. However, cheaper, non-refundable flights, with “restricted fares” are often available but cannot be selected by DTS users. The Institute for Defense Analyses study recommended that the Department conduct a study, in conjunction with the General Services Administration, to determine consistent policy guidelines for using restricted fares, and that DTS should be modified accordingly. Secretary Dominguez acknowledged the need to review these policies.
- (5) ***Travel regulations should be reviewed and rationalized, and the number of trip types and categories of travelers should be reduced.*** Travel within the Department is controlled by multiple regulations, policies, and protocols. Every service and agency within the Department has unique rules governing travel, greatly complicating the adoption of a single travel system for the Department. Further, the Department has over 60 different categories of travelers, each with unique rules and fund cites. IDA recommended that rationalization of these policies would go a long way in simplifying DOD travel with commensurate cost savings. However, according to Dominguez, the Department believes it will require two to three years to materially reduce the number of travel types and categories, and to simplify travel policies. He also noted that some challenges are beyond the Department’s control and would require congressional legislative action to overcome.
- (6) ***The Department must correct weak management practices and improve supervision within DTS.*** GAO published a study in 2006 that was critical of the lack of human oversight within the DTS architecture. The system is technically formatted to prevent violations of travel regulations, but the override feature available to DTS human supervision was being misused. GAO recommended that better management protocols for the use of the system be developed and enforced. GAO will review this issue in their 2008 re-audit to determine if management practices and supervision has improved.

- (7) ***DTS users were critical of call center support.*** During briefings by users of DTS, travelers criticized call center support from both DTS website personnel and Commercial Travel Offices contracted to support airline reservations. Survey results from 2007 discovered that approximately 27% of respondents believed that it was difficult or very difficult to get their DTS questions answered.
- (8) ***The Department's efforts to update DTS usability, pay travelers rapidly, and centralize travel management responsibilities have met with some success. However, 40% of DTS travelers surveyed believed that DTS is not user-friendly and discussions with DTS users indicated that they require constant training to maintain proficiency with the system.*** The Department has centralized management of its \$8.5 billion travel enterprise under the Defense Travel Management Office. This office has responsibility for the travel policy, revenue, training, technology development, and customer satisfaction program. The Department stated at the April 15, 2008 O&I hearing that customer satisfaction and DTS usability were the focal points of DTMO's effort, but surveys conducted by the Department and briefings by users of the system reveal that more progress is needed. Frequent users of DTS claim varying degrees of proficiency with the system, but infrequent users require retraining, coaching, and external assistance. A recent survey conducted by the Department found that 32% of users were dissatisfied or very dissatisfied with training for DTS.
- (9) ***Booking of military lodging is not supported through DTS, creating a burden on uniformed travelers.*** Military travelers criticized the difficult and time consuming process required to document their use of civilian lodging when government billeting was not available. The root of the problem is that government billeting, with over 82,000 rooms worldwide, has no central booking system that can communicate with DTS, requiring travelers to default to a time consuming, labor intensive, paper driven system to get non-availability waivers before trying to get a hotel room.

Actions

While the Subcommittees on Readiness and Oversight and Investigations will continue to conduct oversight of the DTS, the two have tasked the Government Accountability Office (GAO) to:

- (1) Assess the Department's plan to eliminate or retain legacy travel systems and the cost of retaining those legacy systems;
- (2) Assess the cost effectiveness of DTS compared to manual processing of travel vouchers and determine which types of travel vouchers will continue to be manually processed once DTS is fully implemented; and
- (3) Examine the actions taken by the Department to streamline travel rules and processes.

Recommendations

The Department of Defense should:

- (1) Aggressively pursue efforts to make DTS user-friendly with minimal training;
- (2) Implement DTS for remote users, Navy ships afloat, and permanent change of station travel;
- (3) Review and simplify complex travel rules where possible;
- (4) Explore the use of restricted fare air tickets;
- (5) Determine the number of legacy systems that will be eliminated when DTS is fully implemented and their time frames for elimination;
- (6) Determine the number of legacy systems that will not be eliminated when DTS is fully implemented including the rationale for the continued use of these systems;
- (7) Establish timelines to accomplish these measures and report on progress in meeting them; and
- (8) Provide legislative recommendations to the Committee before the end of 2008.