

**Prepared Statement**

**of**

**The Honorable Michael L. Dominguez**

**Principal Deputy**

**Under Secretary of Defense (Personnel and Readiness)**

**Before the**

**House Committee on Armed Services**

**Subcommittee on Oversight and Investigations**

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## **MR. MICHAEL L. DOMINGUEZ**

### **Principal Deputy Under Secretary of Defense for Personnel and Readiness**

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Michael L. Dominguez was nominated by the President as the Principal Deputy Under Secretary of Defense for Personnel and Readiness on November 21, 2005 and confirmed by the Senate on July 11, 2006. As a presidential appointee confirmed by the Senate, he is the primary assistant to the Under Secretary of Defense for Personnel and Readiness providing staff advice to the Secretary of Defense and Deputy Secretary of Defense for total force management as it relates to manpower; force structure; readiness; Reserve Component affairs; health affairs; training; and personnel policy and management, including equal opportunity, morale, welfare, recreation, and quality of life matters.



Prior to this appointment, Mr. Dominguez served, from August 2001 until July 2006, as the Assistant Secretary of the Air Force for Manpower and Reserve Affairs. His responsibilities included developing and overseeing Air Force manpower and personnel policies, readiness, and Reserve Component affairs.

Mr. Dominguez also served as Acting-Secretary of the Air Force from March 28, 2005 thru July 29, 2005. In this role, he was responsible for the affairs of the Department of the Air Force, including the organizing, training, equipping and providing for the welfare of its more than 360,000 men and women on active duty, 180,000 members of the Air National Guard and the Air Force Reserve, 160,000 civilians, and their families.

As an Air Force dependent, Mr. Dominguez grew up on bases around the world. After graduating in 1975 from the U.S. Military Academy at West Point, N.Y., he was commissioned a second lieutenant in the U.S. Army, reported to Vicenza, Italy, then worked varied assignments with the 1st Battalion, 509th Infantry (Airborne) and the Southern European Task Force. After leaving the military in 1980, Mr. Dominguez went into private business and attended Stanford University's Graduate School of Business. In 1983 he joined the Office of the Secretary of Defense as an analyst for Program Analysis and Evaluation (PA&E).

Mr. Dominguez entered the Senior Executive Service in 1991 as PA&E's Director for Planning and Analytical Support. In this position he oversaw production of DOD's long-range planning forecast and its \$12 billion in annual information technology investments. He also directed the PA&E modernization of computing, communications and modeling infrastructure. He joined the Chief of Naval Operations staff in 1994 and assisted in the Navy's development of multi-year programs and annual budgets. Mr. Dominguez left federal government in 1997 to join a technology service organization. In 1999 he began work at the Center for Naval Analyses where he organized and directed studies of complex public policy and program issues. In 2001 he rejoined the staff of the Chief of Naval Operations where he worked until his appointment as Assistant Secretary of the Air Force.

## **EDUCATION**

1975 Bachelor of Science degree, U.S. Military Academy, West Point, N.Y.

1983 Master's degree in business administration, Stanford University, Stanford, Calif.

1989 Program for Senior Officials in National Security, Harvard University

## **CAREER CHRONOLOGY**

1. June 1983 - September 1988, program analyst, Office of the Secretary of Defense for Program Analysis and Evaluation, Washington, D.C.

2. October 1988 - September 1991, executive assistant to the Assistant Secretary of Defense for Program Analysis and Evaluation, Washington, D.C.

3. October 1991 - September 1994, Director for Planning and Analytical Support, Office of the Assistant Secretary of Defense for Program Analysis and Evaluation, Washington D.C.

4. October 1994 - April 1997, Associate Director for Programming, Office of the Chief of Naval Operations, Washington, D.C.

5. April 1997 - September 1999, General Manager, Tech 2000 Inc., Herndon, Va.

6. September 1999 - January 2001, Research Project Director, Center for Naval Analyses, Alexandria, Va.

7. January 2001 - August 2001, Assistant Director for Space, Information Warfare, and Command and Control, Office of the Chief of Naval Operations, Washington, D.C.

8. August 2001 - March 2005, Assistant Secretary of the Air Force for Manpower and Reserve Affairs, Washington, D.C.

9. March 2005 - July 2005, acting Secretary of the Air Force and Assistant Secretary of the Air Force for Manpower and Reserve Affairs, Washington, D.C.

10. July 2005 - July 2006, Assistant Secretary of the Air Force for Manpower and Reserve Affairs, Washington, D.C.

11. July 2006 - Present, Principal Deputy Under Secretary of Defense for Personnel and Readiness, Washington, D.C.

## **AWARDS AND HONORS**

1980 Army Commendation Medal

1988 and 1994 Defense Meritorious Civilian Service Medal

1993 Defense Civilian Service Medal

1997 Superior Civilian Service Medal, Department of the Navy

1998 Meritorious Executive Presidential Rank Award

January 2005, July 2005 and July 2006, Air Force Exceptional Civilian Service Medal

## **Introduction**

Mr. Chairman and members of this distinguished Subcommittee, thank you for inviting me to testify today. Just over eighteen months ago, Dr. David Chu, Under Secretary of Defense for Personnel and Readiness, advised the Senate Permanent Subcommittee on Investigations that Personnel and Readiness had assumed a significant new role in providing management and oversight for the Defense Travel System (DTS) through the Defense Travel Management Office (DTMO). The DTMO was chartered to provide one authoritative, responsible agency for commercial travel within the Department, and is charged with responsibility for commercial travel management, the government travel card program, and customer support and training.

Since the November 2006 hearing, we have made great strides in improving usability and customer acceptance of the DTS. DTS is a fully integrated, electronic financial management system specifically tailored to meet the Department of Defense's (DoD's) unique travel needs. DTS provides a secure environment for making travel arrangements, completing travel-related financial transactions, and enforcing Federal and DoD travel policies and regulations. DTS allows travelers to create authorizations (travel orders), prepare all travel reservations, receive approval to execute travel, generate a travel voucher, receive approval of all expenses, and receive direct deposit payment to their bank account and the government travel charge card vendor, all via a single web portal that is available 24 hours every day, seven days a week. We want DTS to enhance the quality of the travel experience by saving time and reducing the effort required to arrange, execute, and receive timely reimbursement for travel. DTS will also provide the government with the capability to monitor expenditure of travel dollars, and ensures compliance with applicable travel policies and regulations.

## **Previous GAO and DoD IG Studies**

When Dr. Chu testified in November 2006, he assured the Congress that the DTMO would address DTS shortfalls noted by the Government Accountability Office (GAO) in studies completed in January and September 2006 and a DoD Inspector General (IG) study completed in November 2006. At this time, I can assure this subcommittee that all the recommendations in the three reports are being addressed and most are already closed.

In both of its studies, GAO found deficiencies in DTS development, implementation, and testing of functionality. GAO specifically noted that system testing of the Reservation Refresh module revealed that promised capability was not delivered as intended. GAO also noted that lack of interfaces with DoD business systems (e.g., Army General Fund Financial Enterprise Resource Planning Systems) and underutilization at sites where DTS had been deployed would prevent DTS from becoming DoD's standard travel system. GAO found estimates of annual net savings from DTS were unreliable. GAO found that DTS was still not addressing the underlying problems associated with poor management of software application requirements and system testing.

The DoD IG study was to determine whether DTS has realized anticipated benefits in efficiency. In this study, "Management and Use of the Defense Travel System," the DoD IG noted many of the same deficiencies already documented by the GAO: that DoD could not provide documentation that substantiated all DTS, legacy system, and travel-related data necessary to evaluate the cost-effectiveness of the DTS program; not all DoD components were using DTS to support routine TDY at the sites where DTS had already been fielded; and that "the Department continues to make management decisions based on unsubstantiated data and to allocate resources to the DTS program without the ability to measure projected benefits."

Today, the Department is addressing GAO and DoD IG recommendations concerning DTS, most notably in the areas of metrics, data and costs, improved program oversight, DTS utilization, and premium class travel.

We are making steady improvements with regard to metrics, data, and costs. We are currently engaged in a two-year project to develop an authoritative source for travel data, commercial travel information, and business intelligence. Data will be incorporated in three phases, beginning with travel services data in phase one (air, car, truck, bus, lodging); travel management data in phase two (customer service feedback, travel community demographics, government travel charge card); and performance management data in phase three.

Additionally, the Institute for Defense Analyses (IDA) is wrapping up an independent review to establish a baseline against which travel costs for the Department can be effectively measured. The results of this review will enable the DTMO to further develop cost metrics for DTS and better assess the tangible benefits of DTS for the DoD. One challenge going forward, however, is to better understand the indirect costs of travel and to develop a methodology to collect and analyze those costs. Indirect costs include, for example, voucher processing, and Commercial Travel Office (CTO) fees. Capturing and analyzing these costs will allow us to understand the total cost of travel.

We are implementing those GAO and DoD IG recommendations concerning improved DTS program oversight. In 2006, the DTMO implemented a well-defined requirements change management process. This process defines requirements, tracks the life-cycle of requirements development to include a follow-on impact study of released functionalities, and has adopted a streamlined approach to address change requests that require expedited handling. DoD is also improving internal processes for configuration control and testing.

We are also implementing GAO and DoD IG recommendations concerning DTS utilization. DTS is currently fielded at about 86% of intended sites. The Military Services expect to conclude fielding in Fiscal Year (FY) 2009. Twice annually, we provide the Armed Services Committees of the Congress reports detailing the number of defense sites at which DTS has been deployed, the extent of DTS usage at those sites, the steps taken to increase usage, and any continuing problems in the implementation and usage of DTS.

The DTMO is also implementing recommendations concerning premium class travel. All commercial travel service contracts that are now managed by the DTMO contain appropriate language reflecting the Department's policies on the use of premium class travel. While the DTMO does not have jurisdiction over legacy CTO contracts that are managed by the Military Services, appropriate contract language was also provided to them for their use. The DTMO will ensure all future CTO contracts for official travel services adhere to the Department's policy on the use of premium class travel. Additionally, the DTMO has developed a Web-based Premium Class Travel (PCT) reporting tool that supports DoD's requirement for agencies to report PCT on a recurring basis.

### **Section 943 Study**

In November 2006, Dr. Chu told the Senate Permanent Subcommittee on Investigations that he welcomed the opportunity to study the system as directed by Section 943 of the 2007 National Defense Authorization Act. The Institute for Defense Analyses (IDA) was selected to conduct the Section 943 study. We appreciate and applaud IDA's hard work and are implementing all recommendations that are practical and cost-effective.

To date, we have made significant progress in all of the recommendations within the purview of the DTMO (the Business Transformation Agency (BTA) has oversight for the recommendation on Service Oriented Architecture):

- IDA recommended that Reservation Refresh be continued. It has been. Further, a Reservation Refresh impact study began in 2007 and, as a result, 19 enhancements to DTS were recommended and are now incorporated into our plans.
- IDA recommended enabling travelers to obtain assistance from the CTO while using DTS. When this recommendation is implemented (scheduled for September/October 2008), a traveler needing assistance from the CTO will “push a help button” in DTS and the CTO will contact him/her directly.
- IDA recommended that DTS usability be improved. Several initiatives are underway to implement this recommendation, to include a usability review that began in 2007 (with recommendations to be submitted in September 2008), a DTS customer satisfaction survey undertaken in October 2007, and ongoing DTS feedback being obtained via the Interactive Customer Evaluation (ICE) system.
- IDA recommended that DoD conduct a study – in conjunction with General Services Administration – to determine a consistent set of policy guidelines for using restricted fares and the pros and cons of modifying DTS to accommodate restricted fares under those conditions. DTMO is compiling and analyzing data for the seventh month in a 12-month effort to compile a valid data sample and will draft and coordinate policy options with General Services Administration in September 2008.



- A DTS mandate memo, also recommended by IDA, was published directing that DTS will be the single, online travel system used by the Department for all travel functions currently supported and those that will be supported in the future.
- IDA made a recommendation that echoed earlier GAO and DoD IG recommendations: that DoD “establish a process to collect complete, reliable, centrally available, and timely DoD travel information needed to support effective DoD travel management.” As noted above, we are currently engaged in a two-year project to integrate DoD-wide travel data to become the single, authoritative source of commercial travel information and business intelligence. We are now reviewing travel data sources and travel databases to determine the best option for compiling from those sources a transparent, complete, comprehensive set of reliable, accurate, and timely travel data.
- IDA recommended that DoD improve DTS capability. To that end, DoD is planning incremental improvements to DTS to enable additional trip types such as pre-employment interview travel, emergency travel while on TDY, witness travel, family visitation travel, Rest and Recuperation leave, cadets/midshipman travel while TDY, etc.
- IDA recommended that DoD substantially reduce the number of travel types. A DoD travel policy review began March 2007; however, to materially reduce travel types and simplify travel policies will require two to three years.
- IDA recommended that the DTMO be assigned responsibility for finishing DTS fielding at the remaining DoD sites. However, as fielding is now nearly complete, responsibility remains with the Military Services. The Army’s fielding will be

completed by the end of FY 2009. The Air Force has completed fielding with the exception of its Reservists (likely to be completed at the end of FY 2009). The Marine Corps has completed its fielding. The Navy's target completion fielding date is at the end of FY 2009. Of the Defense Agencies, two remain to be fielded.

- IDA recommended that a mandate be issued to discontinue use of all legacy systems once DTS has the capacity to support a very high percentage of all DoD travel. In February 2008, DTMO had determined: the functionality provided by legacy systems, whether DTS could support this functionality, and which systems could be sunset when needed functionality is implemented in DTS. An initial sunset plan for legacy systems will be developed by the end of FY 2010.

### **Customer and Stakeholder Feedback**

Two years ago, the Department did not have a customer satisfaction program for travel. However, the DTMO, committed to its organizational goal of "Balancing customer and stakeholder satisfaction," has worked very hard to establish a meaningful program -- providing opportunity for the travel community to offer their opinions and suggestions. We began with an informal feedback mechanism called Interactive Customer Evaluation (ICE). This Web-based tool allows customers to submit online comment cards at any time addressing DTS, the government travel charge card, our DTS and travel policy training programs, general travel topics and, in the near future, the Travel Assistance Center. We will also enable a module so that we can receive direct input from Agency Defense Travel Administrators (DTAs). Since May 2007, the DTMO has received over 7,200 comments from travelers, system users, and travel

managers. ICE has provided us with many useful suggestions for improving the system and a method to address individual concerns.

Subsequently, we established an annual survey to gauge the opinions of DoD travelers on their satisfaction with the DTS-enabled travel process. This DTS Customer Satisfaction Survey obtains opinions from the Active Duty, civilian, and Reserve population in all Military Services and Defense Agencies using an innovative, Web-based polling vehicle called Quick Compass, developed and administered by the Defense Manpower Data Center, for which DTMO became the first customer. The 2007 Quick Compass for DTS was fielded from September 28 through October 16, 2007. The first two surveys, one conducted in 2007 and the other fielding in April 2008, will provide the DTMO with a baseline to initiate trend analysis and against which to measure our progress in responding to user concerns.

Another customer feedback vehicle is the DTS Usability Working Group. This group, composed of Service and Defense Agency representatives, meets monthly to review DTS usability and functionality change requests. In the 24 months since this forum began work, there have been almost 200 requests submitted to modify existing DTS functionality and travel processes.

Site visits to the “best and worst” sites (i.e., highest and lowest DTS utilization rates) are another feedback mechanism. DTMO staff visited the five lowest utilization sites to provide additional training, help with sustainment planning, troubleshooting, etc. Visits were made to highest utilization sites to collect “lessons learned” about successful DTS implementation and to collect best practices that could be shared across the enterprise.

DTS usability reviews assess the effectiveness, efficiency, and satisfaction with which users can accomplish travel tasks when using DTS. These reviews, which began the week of

April 7, 2008, are being conducted at locations throughout DoD to explore the usability of DTS for its various user roles ( travelers, approving officials, DTAs, etc.). Results from these sites will be used to identify DTS areas where users are having the most difficulty and which have the greatest impact on user performance. These results will be submitted in September 2008 to develop recommendations for improving DTS usability.

A governance structure, co-chaired by the DTMO and the Business Transformation Agency (BTA), with participation by the Services and Defense agencies, was adopted to ensure a continual dialogue among key stakeholders, to set strategic direction, and to manage the Defense Travel Enterprise. An executive level Defense Travel Steering Committee and the Colonel/GS-15 level Defense Travel Improvement Board oversee changes to policy, requirements and other important factors affecting the DoD Travel Enterprise. In under two years, this governance structure has guided DTS proliferation and increased usage. This offers a tremendous cost savings to the Department and directly relates to a 943 Study recommendation.

In August 2006, these travel governance bodies approved plans for implementing permanent change of station (PCS) travel and voucher settlements in DTS by June 2009. Another travel functionality approved for DTS is travel performed under special circumstances. This was approved in July 2007 for implementation in spring 2009.

### **Building on Success**

Over the next three to five years, the DTMO will continue implementing improvements in the travel experience. In November 2006, not all DTS users had access to a help desk; today they can use the Travel Assistance Center (TAC). The TAC is a “24/7” one-stop help desk for all DTS related questions, to serve our many customers with accurate, courteous, and timely

service. The TAC stood up on August 31, 2007. It began servicing Defense Agency and Navy DTS users in October 2007; United States Marine Corps DTS users in January 2008; United States Air Force DTS users in April 2008; and will begin providing service to United States Army DTS users on July 1, 2008. During the first quarter of FY 2009, assistance will expand to include rental car, air, hotel, travel policy, and travel card issues. .

Before the DTMO was established, there were no customer service measures. Now, we have created a performance management program, conducted our first customer satisfaction survey, and are fielding our annual 2008 survey this month. Additionally, DTS customers are submitting ICE evaluation cards daily. We are well on our way to integrating customer feedback into DTS functional improvements.

Developing a knowledgeable travel community is another goal that the DTMO has actively engaged in achieving. DTMO is creating a training program that provides the knowledge and skills necessary for successful and efficient travel. This includes a comprehensive set of resources for the Services and Defense Agencies to conduct DTS training for all users and administrators. The DTMO travel training program provides instructor led classroom sessions, Web-based instruction, distance learning, and manuals and other guides. Distance learning, for example, includes 23 different courses delivered using Web conferencing tools. It began in November 2007, with full implementation by the end of April 2008.

Another major initiative that the DTMO has embarked upon is the consolidation and procurement of CTO services for DoD. With a worldwide umbrella contract awarded this past September, DTMO is currently in the process of awarding task orders to support the Military Services and Defense Agencies. All of these task orders will be managed by the DTMO.

Centralizing CTO services will DoD to apply best practices, leverage buying power, and improve working relationships between the Government and the travel industry.

As part of our forward look, we are also partnering with the BTA to study the next generation of travel services – all travel services – beyond the life cycle of DTS.

### **Conclusion**

Mr. Chairman, I want to thank you and members of this Subcommittee for the opportunity to appear before you today. The DTS that we are talking about today is much improved from the DTS that the GAO and DoD IG evaluated two or three years ago. As we implement IDA's recommendations, DTS changes again. We have listened to our critics, and with the partnership of the BTA and our other stakeholders, we are reshaping the defense travel enterprise through results-oriented innovation.

Thank you for your interest and support.