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

"The Department of Defense does not have accurate and complete information on the number of legacy travel systems that are still in use by the military services…and could only provide limited cost data for each identified travel system."

--Mr. Asif Khan, Director
Financial Management & Assurance
Government Accountability Office[1]

Introduction

On Thursday, March 5, 2009, the Subcommittee on Oversight and Investigations (O&I) met in open session to receive testimony on progress made and problems that continue with the Defense Travel System (DTS). This memorandum summarizes findings from the hearing and research, and proposes further recommendations.

Findings

(1) ***The Department has made progress with some cost-efficiency efforts in the past year, specifically for premium-class travel and unused airline tickets.*** Prior probes into premium-class travel at the Department revealed that the commercial travel offices (CTOs) through which tickets were booked were not adhering to the Department's policy of restricting premium-class travel, which cost the government thousands of dollars per ticket. The Department released a web-based tool that captures premium-class travel approvals, in addition to now requiring that all CTO contracts include a monthly reporting requirement. The Department has also taken action to recoup costs for unused airline tickets by requiring CTOs to identify and cancel unused airline tickets 30 days after the planned trip date and then initiate the refund process.

(2) ***The Department has not identified the exact number of legacy systems in existence, the cost of maintaining these legacy systems, or their funding sources.*** Despite this issue being raised in the April 2008 hearing, the Department could not state in March 2009 with certainty how many legacy systems are currently in existence. The Defense Travel Management Office (DTMO) identified at least 23 legacy systems in existence, but could not confirm that additional legacy systems do not exist. The Services only identified 12 legacy systems, and the discrepancy between the numbers provided by the Services and DTMO has yet to be resolved. Further, Department officials stated in the hearing that they could not quantify the costs or identify the funding for these legacy systems. GAO reviewed the Department's fiscal year 2009 information technology budget in an attempt to identify the universe of legacy systems and their associated operating and maintenance costs, but could only find 3 legacy systems specifically mentioned in the budget. Until the Department can properly

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[1] Asif Khan, Director of Financial Management and Assurance, Government Accountability Office, *DOD Business Transformation: Status of DOD's Actions on Previous Recommendations for the Defense Travel System,* March 5, 2009.

quantify the number of legacy systems in existence and the costs and funding associated with these systems, it will be impossible for the Department and this Subcommittee to understand what other functions these legacy systems may provide and how much money is spent unnecessarily on redundant travel booking capability.

(3) ***In fiscal year 2007, the Defense Travel System was used for only $2.4 billion of the Department's $9.4 billion travel budget, increasing costs for the government.*** A 2007 study by the Institute for Defense Analyses (IDA) estimated that maintaining legacy systems costs approximately $200 per trip rather than $7.50 a trip when DTS was used, which amounts to as much as $1 billion per year. Ongoing GAO research has uncovered that significant problems remain with DTS utilization, and that the Department does not have reasonable quantitative metrics to measure and reliably report on the extent to which DTS is actually being used, despite a March 2008 mandate requiring the use of DTS. Until the Department implements reliable metrics by which to measure DTS usage, hidden costs will continue to plague the system. Further, the Department does not plan to shut down legacy systems until 2013, even though DTS and software upgrades will be fielded in every location by 2010.

(4) ***The cost of processing vouchers through legacy systems is significantly higher than processing vouchers through DTS.*** Continued operation of legacy travel systems diminishes the savings available through electronic processing of travel vouchers. Where legacy systems are in use, the vouchers must be processed manually. The Army and some defense agencies pay the Defense Financial and Accounting Services (DFAS) an average of $36.50 to process a manual voucher, while an electronic DTS voucher only costs an average of $2.50 per voucher. The Department identified that last year, 400,000 manual vouchers were processed for the Army alone, and further stated that the current rate for DTS electronic voucher processing is about 73 percent of total voucher processing. The Department cannot currently identify how many of these manual vouchers should have been processed through DTS; however, it is clear that while vouchers continue to be processed manually, the Department will experience significant avoidable costs. DOD did not provide data for the Departments of the Air Force or Navy.

(5) ***DTS users, particularly travelers, continue to experience difficulties properly using the system, and the Department does not plan to focus on fixing traveler usability challenges until 2010.*** Since its inception, DOD travelers have complained about the difficulties and complexities of trying to navigate the system. According to the Department, on-line training modules have been launched to help users navigate the system. However, a study by LMI, a non-profit government consulting group contracted by the Department, found that only 42 percent of travelers could successfully complete a task in DTS, whether booking a trip, cancelling one, or completing a voucher. The Department plans to address traveler challenges with DTS beginning in February 2010. This delay in making the system as user-friendly as commercially available systems will likely result in frustrated users, more reliance on legacy systems, and lost productivity.

(6) ***The Department is enhancing DTS capabilities, but several trip types continue to remain outside of DTS.*** According to the Department, there are currently 73 travel types within the

Department, and DTS can only be used for 27 of these. The Department plans to incorporate 29 more types of "special circumstance" travel into DTS in July 2009. DOD also plans to incorporate military permanent change of duty station travel into DTS in October 2009. Sixteen travel types will remain outside DTS in 2010. DOD will only incorporate into DTS trip types for which volume will allow savings, so some trip types may remain outside DTS permanently.

(7) ***The Department has made progress on requirements management and system testing within DTS, but problems that affect the reliability of the system persist.*** GAO reports from 2005 and 2006 noted problems with DTS's ability to properly display flight information. Those problems were traced to inadequate management and system testing to ensure that requirements were met. In some cases, the ability of the system to meet requirements may have been tested but the Department did not have proper documentation. The Department must create more robust system testing processes and accurately document testing, to ensure that DTS meets DOD requirements and functions properly for all users.

Recommendations
The Department of Defense should:
(1) Require e-ticket usage whenever possible and establish processes for monitoring paper ticket usage;
(2) Enforce the DOD order that all users must use DTS where it is available;
(3) Speed efforts to make DTS traveler-friendly for those with minimal training and for infrequent travelers;
(4) Incorporate as many travel types as possible into DTS;
(5) Determine the number and precise functionality of legacy systems currently operating, the costs of these legacy systems and their funding sources, and whether these legacy systems are operated by the government or private contractors;
(6) Shut down legacy systems as soon as possible, rather than waiting until 2013; provide the House Armed Services Committee with this schedule by June 5, 2009;
(7) Develop more consistent measures for requirements management and system testing to ensure that DTS functions as it is required to do; and
(8) Continue to streamline travel policies and regulations, including coordinating with GSA wherever possible.

Actions
While the Subcommittee on Oversight and Investigations will continue to conduct oversight of the Defense Travel System, the Subcommittee has already asked the Department and the Services to provide information on the number of legacy systems still in existence and the costs and funding sources for operating and maintaining these legacy systems.

The Subcommittee also looks forward to receiving GAO's final report on the status of DOD's actions to implement GAO's previous recommendations for improving DTS, which is expected in June 2009.

The Subcommittee plans to hold another hearing next year to check DOD's progress on implementing planned improvements as well as the Department's response to the recommendations above.